



WO/IAOC/74/2
ORIGINAL: ENGLISH
DATE: OCTOBER 24, 2024

WIPO Independent Advisory Oversight Committee

Seventy-Fourth Session
Geneva, September 24 to 27, 2024

REPORT

adopted by the WIPO Independent Advisory Oversight Committee

INTRODUCTION

1. The 74th Session of the WIPO Independent Advisory Oversight Committee (IAOC) took place from September 24 to 27, 2024. Present were Messrs. Bert Keuppens (Chair), David Kanja (Vice-Chair), Kamlesh Vikamsey, Igors Ludboržs, Guan Jian, and German Deffit. Mr. Danil Kerimi was unable to participate and sent apologies for his absence.

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 conflicts of interest. No conflicts of interest were reported.

AGENDA ITEM 3: MATTERS ARISING FROM PREVIOUS SESSION

4. The Chair and Vice-Chair briefed the Committee on matters, other than those reported on the next agenda item 4, that took place between Sessions.

AGENDA ITEM 4: MATTERS ARISING FROM THE PROGRAM AND BUDGET COMMITTEE 37TH SESSION, WIPO GENERAL ASSEMBLY AND THE COORDINATION COMMITTEE SESSION

5. The Chair provided an overview of key issues from the 37th Session of the Program and Budget Committee (PBC), the Assemblies of the Member States of WIPO (65th Series of Meetings), and the 83rd Session of the Coordination Committee. The Chair informed the Committee that the IAOC Annual Report of the IAOC was well received and briefed the Committee on questions raised by Member States delegations. The Chair conveyed the Member States' appreciation for the Committee's role in WIPO oversight and advisory functions.

AGENDA ITEM 5: UPDATE FROM THE DIRECTOR GENERAL

6. The Assistant Director General (ADG) of the Administration, Finance, and Management Sector (AFMS), on behalf of the Director General away on a mission, provided a briefing to the Committee on key developments before and after the General Assembly. He expressed his appreciation to the Committee for its advisory role in its oversight capacity and re-iterated Member States appreciation of the Committee's function.

AGENDA ITEM 6: INTERNAL OVERSIGHT

7. The Committee discussed work programs in the areas of internal audit, evaluation, and investigation, and reviewed, in particular (i) the Internal Oversight Division (IOD) Activity Report; (ii) the Update of the Mid-year Workplan; (iii) the Investigation Intake Process; (iv) an Update of the Peer Review of the Evaluation Function; and (v) the Proposed Internal Audit Manual. On investigations, the Committee reviewed the caseload and an overview of status of outstanding cases.

8. The Committee reviewed the following Pre-evaluation Assessment Reports:
i) Madrid Fellowship; ii) WIPO Fellowship Programs; iii) WIPO Academy Academic

Institutions and Executive Program; iv) WIPO Academy IP eLearning Section; and v) WIPO Connect. The Committee was also briefed on the Final Advisory Report on the Enterprise Collaboration and Content Management (ECCM).

9. The Pre-Evaluation Assessments were appreciated by the Sectors concerned and contributed to the understanding of the activities that were reviewed and resulted in recommendations for improvement that were accepted by the Sectors. It was noted that these were not full evaluations but pre-evaluations, which were aimed at assessing the evaluability of the selected programs. The Pre-Evaluations were conducted in a collaborative spirit and were highly appreciated by the Sectors. The Committee noted that the exercise did not substitute for evaluations *per se*, but assisted in achieving a good result. Notwithstanding, the IAOC further noted that in the future, IOD should conduct full-fledged evaluations of significant workstreams within the Organization.

10. The IAOC noted that the resources of IOD continued to be affected by protracted vacancies, and long-term sick leaves. Progress was being made in filling the vacancies and the IAOC encouraged IOD to complete the recruitment process on a timely basis.

11. The Committee received an update on the planned peer-review of the evaluation function, which was expected to be completed in the coming months. It is expected that the outcome of such review would contribute to the further streamlining of the evaluation function.

12. A discussion was held on the new draft version of the Internal Audit Manual which was now fully aligned with the new global Internal Audit Standards. A final version of the manual is expected to be completed by the end of the year after comments from all relevant stakeholders.

13. Regarding investigations, the IAOC noted that 16 complaints were received, and 16 were closed during the period. The Committee also noted that at the time, 34 complaints had been received during 2024, in comparison to 45 in 2023. The Committee was also given an update on open and closed investigation cases.

14. The Committee held a private meeting with the Director, IOD, as required by its Terms of Reference.

AGENDA ITEM 7: REVIEW OF IOD'S FOLLOW-UP ON OUTSTANDING HIGH PRIORITY RECOMMENDATIONS

15. The IAOC reviewed the IOD's Report on the Follow-up of Outstanding High-priority Recommendations. The Committee noted good ongoing progress in the implementation of Open Oversight Recommendations. The Committee noted that there were 73 open recommendations on May 17, 2024, 21 were closed, and five were issued, resulting in 57 open recommendations as of September 16, 2024.

16. The Report of the Office of the Controller provided an update on the implementation of the Joint Inspection Unit's (JIU) Recommendations to WIPO, from January 1, 2019, to September 18, 2024. The Report includes seven recommendations addressed to WIPO's legislative bodies, with one newly marked as "accepted and implemented." 16 recommendations were directed to the Executive Head, with three "accepted and implemented," one "accepted and in progress," and 12 still "under consideration."

17. The Committee noted the interest expressed to provide information to Member States on the progress being made on the implementation of all outstanding recommendations in a format that was accessible to Member States.

AGENDA ITEM 8: EXTERNAL AUDIT: AUDIT PLANNING REPORT ON THE 2024 FINANCIAL STATEMENTS AUDIT

18. The new External Auditor, the Audit Board of the Republic of Indonesia, presented the WIPO Audit Planning Memorandum (APM) for the 2024 Financial Statements to the Committee, with Staff of the Secretariat in attendance. The APM detailed the audit process, which covered both financial and performance audits.

19. The Committee provided feedback on aspects covered by the APM, particularly on materiality, and the scope of financial and performance audits. The Committee also enquired about the handover and takeover from the previous auditor, and the Auditor expressed satisfaction with the details discussed with the outgoing External Auditor, including follow-up of the outstanding recommendations.

20. The Committee looked forward to having future meetings with the new External Auditor and to discussing their findings. The Committee expressed appreciation for the productive meeting.

AGENDA ITEM 9: UPDATES ON RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORKS, INCLUDING REVIEW OF KEY INTERNAL CONTROLS

21. The Committee received an update on Risk Management and Internal Controls, including IOD's plans to provide an overall opinion on governance, risk management and internal controls. The Committee was also informed that changes would be made to the internal controls framework to reflect recommendations made by the external or internal auditors. The IAOC was also assured that the internal controls and risk frameworks being used by the Organization were in line with the relevant Committee of Sponsoring Organizations of the Treadway Commission (COSO) Frameworks.

AGENDA ITEM 10: UPDATE ON PROCUREMENT

22. The Committee received an Update on Procurement including on the discussion of sustainability which was also reviewed and discussed by Member States in the PBC. The PBC agreed that the application of sustainability in Procurement should not be undertaken to the disadvantage of developing, least-developed countries or economies in transition. The Committee was informed that the requirement was now applied, and the Procurement Manual was under revision to reflect this.

AGENDA ITEM 11: UPDATE ON PHYSICAL AND IT SECURITY

23. The IAOC received an Information Security update on strategy implementation, ISO 27001 Certification Audit, and recent incidents/events. The Committee provided comments on actions being taken to address the risks related to the CrowdStrike outage of July 2024, and the vishing/phone spoofing of August 2024. The Committee looked forward to receiving future updates on lessons learned from those incidents and measures to mitigate related risks.

AGENDA ITEM 12: UPDATE ON DATA GOVERNANCE

24. The matter was postponed until the next IAOC Session in December 2024.

AGENDA ITEM 13: UPDATE ON GOVERNANCE FRAMEWORK FOR PROCUREMENT AND IMPLEMENTATION OF THE NEW ENTERPRISE RESOURCE PLANNING SYSTEM

25. The IAOC reviewed the governance framework of the implementation of the new Enterprise Resources Planning (ERP) system. The governance framework meets better practice requirements. The Secretariat reported that expenditure of an estimated 1.7 million Swiss francs of the total budget of 2.9 million Swiss franc, about 60 per cent of the preparatory phase I budget, had been spent and there had not been expenditure on the phase II implementation budget. The Committee appreciated that line functions of the Organization were involved at the conceptualization stage of the project. The timing of the implementation was broadly on target and expected to start in January 2025. The governance framework was in place and the IAOC made suggestions for input from consultants and oversight bodies to be reflected in the framework.

AGENDA ITEM 14: UPDATE ON WIPO'S STANCE ON INTERDEPENDENCE AND INTERACTION BETWEEN ARTIFICIAL INTELLIGENCE AND INTELLECTUAL PROPERTY, INCLUDING INTERNAL IMPLEMENTATION AND DEPLOYMENT

26. The Committee received a briefing and update on the interdependence and interaction between Artificial Intelligence (AI) and Intellectual Property (IP), including the internal implementation and deployment of initiatives. WIPO has developed several tools, established a task force to address the issues of AI, and issued staff guidance on the responsible use of AI in the Organization. The Committee very much appreciated the prominent role played by WIPO in this respect and encouraged continued attention and support for the matter within the Organization.

AGENDA ITEM 15: UPDATES ON ETHICS OFFICE 2024 WORKPLAN IMPLEMENTATION AND PROPOSED ETHICS-RELATED POLICIES

27. The new Chief Ethics Officer briefed the IAOC on the progress of the Office's workplan function in early August 2024, and on her own individual workplan for the period from August to December 2024. The Committee noted the focus on four key objectives: providing advice and guidance on ethical issues to WIPO personnel, increasing ethical awareness, monitoring ethics policies and setting standards, and managing the activities and resources of the Ethics Office. Specific tasks include offering timely, confidential advice, reviewing ethics-related policies, initiating and implementing new outreach strategies, updating the Intranet to include more specific and concrete ethical guidance, and preparing the Ethics Office 2025 workplan. The workplans further emphasize the collaboration with internal stakeholders and addressing recommendations from oversight bodies.

28. The Committee was assured that the transition had indeed facilitated a smooth handover between the Chief Ethics Office *ad interim* and the new Chief Ethics Officer. The IAOC welcomed the functioning of the Office and supported the ongoing development of the function.

AGENDA ITEM 16: UPDATE ON THE OMBUDS OFFICE SITUATION

29. The Committee reviewed a dashboard provided by the Interim Ombudsperson which summarized the activities of the Ombuds Office. The Committee noted the importance of the function and the increase in demand for the service. The Committee welcomed the three-month extension of the staffing of the Office until the implementation of a different arrangement with United Nations Ombuds Service (UNOMS) was made. The Committee expressed appreciation for the work done by the Interim Ombudsperson.

AGENDA ITEM 17: UPDATE ON HUMAN RESOURCES MANAGEMENT

30. The Director of Human Resources Management Department (HRMD) provided updates to the IAOC on mobility, strategic workforce planning, restructuring HR operations, geographical diversity action plan and occupational safety and health, as well as the results of the staff engagement survey. The Director provided further updates on recruitment activities related to the Chief Ethics Officer, Ombuds Services, Senior Medical Officer and IOD staffing. The Committee noted the initiatives that are ongoing in the HR field.

AGENDA ITEM 18: INFORMATION MEETING WITH MEMBER STATES' REPRESENTATIVES

31. 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 on its deliberations during the IAOC Session and responded to questions posed by the attending Delegates.

AGENDA ITEM 19: OTHER MATTERS

Investment Reports

32. The Committee received the Investment Performance Reports and the Investment Monitoring Report for July and August 2024, prepared by the Investment Advisor and the Custodian, respectively. The Committee clarified that its role was limited to conveying to Member States the information contained in those Reports and did not provide any assurance in that regard.

33. The Committee analyzed the documents provided and verified that within the period in focus, all investments in the WIPO portfolios were performing as expected and managed in accordance with the investment strategy. In addition, the Committee confirmed that the Custodian did not report any breaches, active, passive or justified exceptions.

Next Session

34. The next session of the IAOC is scheduled to take place from December 9 to 13, 2024. The draft Agenda was discussed and prepared by the Committee, for adoption at the beginning of the meeting:

- (1) Adoption of the Agenda
- (2) Declaration of Conflict of Interest
- (3) Matters arising from previous Session
- (4) Briefings on the Outcomes of the 9th Meeting of the UN System Audit and Oversight Committees
- (5) Meeting with the Director General
- (6) Internal Oversight (including Input into the Review of the Revised Internal Audit Manual, Input into the Preparation of the 2025 Annual Workplan, and Discussion on the Proposed 2025 Annual Workplan)
- (7) Update on Outstanding Recommendations from the External Auditor, the Joint Inspection Unit (JIU) and the Internal Oversight Division (IOD)
- (8) Financial Reporting: Change in the Accounting Policies and Accounting Standards)
- (9) External Audit: 2024 Interim Audit Outcomes and Update on Audit Strategy and Engagement Letter

- (10) Update on Investment Governance Framework and Policies
- (11) Status and Update on New Enterprise Resource Plan (ERP) System
- (12) Update on Data Governance
- (13) Review of Ethics Office 2024 Activities (including Update on Proposed Ethics-related Policies and Proposed 2025 Annual Workplan)
- (14) Review of the Ombudsperson 2024 Activities and Update on Ombudsperson Arrangements for 2025
- (15) IAOC Self-Assessment of its 2024 Activities
- (16) Input into the Performance Evaluation of the Director, IOD, the Chief Ethics Officer, and the IAOC Secretary
- (17) Election of IAOC Chair and Vice-Chair for 2025
- (18) Information Meeting with Member States' Representatives
- (19) Other Matters
- (20) Debriefing with the Secretariat

AGENDA ITEM 20: DEBRIEFING WITH THE SECRETARIAT

35. 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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Seventy-Fourth Session
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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. Matters arising from the PBC 37th 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

[Annex II follows]



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LIST OF DOCUMENTS
PROV. 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: MATTERS ARISING FROM THE PROGRAM AND BUDGET COMMITTEE
37TH SESSION, THE WIPO GENERAL ASSEMBLY, AND THE
COORDINATION COMMITTEE SESSION**

[04] List of Decisions adopted by the Program and Budget Committee
(PBC 37th Session, June 17, 2024 (document A/65/6))

ITEM 5: UPDATE FROM THE DIRECTOR GENERAL

No document: Oral account.

ITEM 6: INTERNAL OVERSIGHT

Internal Oversight Division:

- [06a] IOD Activity Report – September 17, 2024 (Reference: IOD-IAOC-024/03)
- [06b] IOD Intake Procedures: Benchmark and Alignment to UN Practice, September 17, 2024
- [06c] IOD Revised (2024) Internal Audit Manual, September 25, 2024
- [06d] Draft Internal Oversight Strategy 2025-2026, September 17, 2024
- [06e] Internal Oversight Division – Draft Investigation Policy, 2024, (with highlighted changes), September 9, 2024 (Reference: IOD/IP/2024/1)
- [06f] Summary of Proposed Amendments to the Investigation Policy – Table of Changes, September 10, 2024

Evaluations:

- [06g] Pre-Evaluation Assessment of the Madrid Fellowship Program, July 30, 2024 (IOD Ref.: EVAL 2024-02)
- [06h] Pre-Evaluation Assessment of WIPO Connect, July 12, 2024 (IOD Ref.: EVAL 2024-01)
- [06i] Pre-Evaluation Assessment of WIPO Academy Academic Institutions Program, August 28, 2024 (IOD Ref.: EVAL 2024-03)
- [06j] Pre-Evaluation Assessment of WIPO Academy IP eLearning Section, August 29, 2024 (IOD Ref.: EVAL 2024-04)
- [06k] Pre-Evaluation Assessment of WIPO Fellowship Programs, September 16, 2024 (IOD Ref.: EVAL 2024-05)
- [06l] Final Advisory Report on Enterprise Collaboration and Content Management (ECCM), September 16, 2024 (IOD Ref.: EVAL 2024-06)

Investigations:

ITEM 7: REVIEW OF IOD'S FOLLOW-UP ON OUTSTANDING HIGH PRIORITY RECOMMENDATIONS

- [07a] Open Oversight Recommendations, as of September 16, 2024
- [07b] Dashboard on the Status of Oversight Recommendations, September 19, 2024
- [07c] Progress Report on the Implementation of the Joint Inspection Unit's (JIU) Recommendations, as at September 18, 2024

ITEM 8: EXTERNAL AUDIT: AUDIT PLANNING REPORT ON THE 2024 FINANCIAL STATEMENTS AUDIT

- [08] Powerpoint presentation – Audit Planning Memorandum, September 20, 2024

ITEM 9: UPDATES ON RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK, INCLUDING REVIEW OF KEY INTERNAL CONTROLS

- [09a] Presentation – Update on Risk Management and Internal Control Framework, September 17, 2024
- [09b] Draft Revised Key Controls, September 17, 2024
- [09c] Annex A – Terms of Reference for Fraud Risk Assessment, July 29, 2024
- [09d] Support in the Conduct of a Fraud Risk Assessment: Secondary bidding among UN LTA holders, July 29, 2024.

ITEM 10: UPDATE ON PROCUREMENT

- [10] Presentation: Update on Procurement, September 2024.

- ITEM 11: UPDATE ON PHYSICAL AND IT SECURITY**
[11] Presentation: Update on Security and Information Assurance, September 26, 2024
- ITEM 12: UPDATE ON DATA GOVERNANCE**
Item postponed until the IAOC Session in December 2024.
- ITEM 13: UPDATE ON GOVERNANCE FRAMEWORK FOR PROCUREMENT AND IMPLEMENTATION OF THE NEW ENTERPRISE RESOURCE PLANNING SYSTEM**
[13] Presentation: WIPO ERP Vendor Selection Process, September 25, 2024
- ITEM 14: UPDATE ON WIPO'S STANCE ON INTERDEPENDENCE AND INTERACTION BETWEEN ARTIFICIAL INTELLIGENCE AND INTELLECTUAL PROPERTY, INCLUDING INTERNAL IMPLEMENTATION AND DEPLOYMENT**
[14] Presentation: AI and IP, September 25, 2024
- ITEM 15: UPDATES ON ETHICS OFFICE 2024 WORKPLAN IMPLEMENTATION AND PROPOSED ETHICS-RELATED POLICIES**
[15a] Work-related Objectives of the Ethics Office, August to December 2024, September 12, 2024
[15b] Individual Workplan – Chief Ethics Officer, September 17, 2024
[15c] Putting Ethics in Focus: Ethics Advice in Numbers, September 26, 2024
- ITEM 16: UPDATE ON THE OMBUDS OFFICE SITUATION**
[16] Ombudsperson Report Dashboard, period January – August 2024, September 26, 2024
- ITEM 17: UPDATE ON HUMAN RESOURCES MANAGEMENT**
[17] Powerpoint presentation - HR Update to the IAOC, September 2024
- ITEM 18: INFORMATION MEETING WITH MEMBER STATES' REPRESENTATIVES**
No document: Oral account.
- ITEM 19: OTHER MATTERS**
[19a] Report – Seventy-Third Session (document WO/IAOC/73/2)
[19b] Draft IAOC Rolling Agenda, 72nd to 75th Sessions
- Investment Reports**:
[19c] Credit Suisse – Investment Monitoring Reports for July and August 2024
[19d] Capital Advice – Investment Performance Reports for July and August 2024
- ITEM 20: DEBRIEFING WITH THE SECRETARIAT**
No document: Oral account.

[End of Annex II and of document]