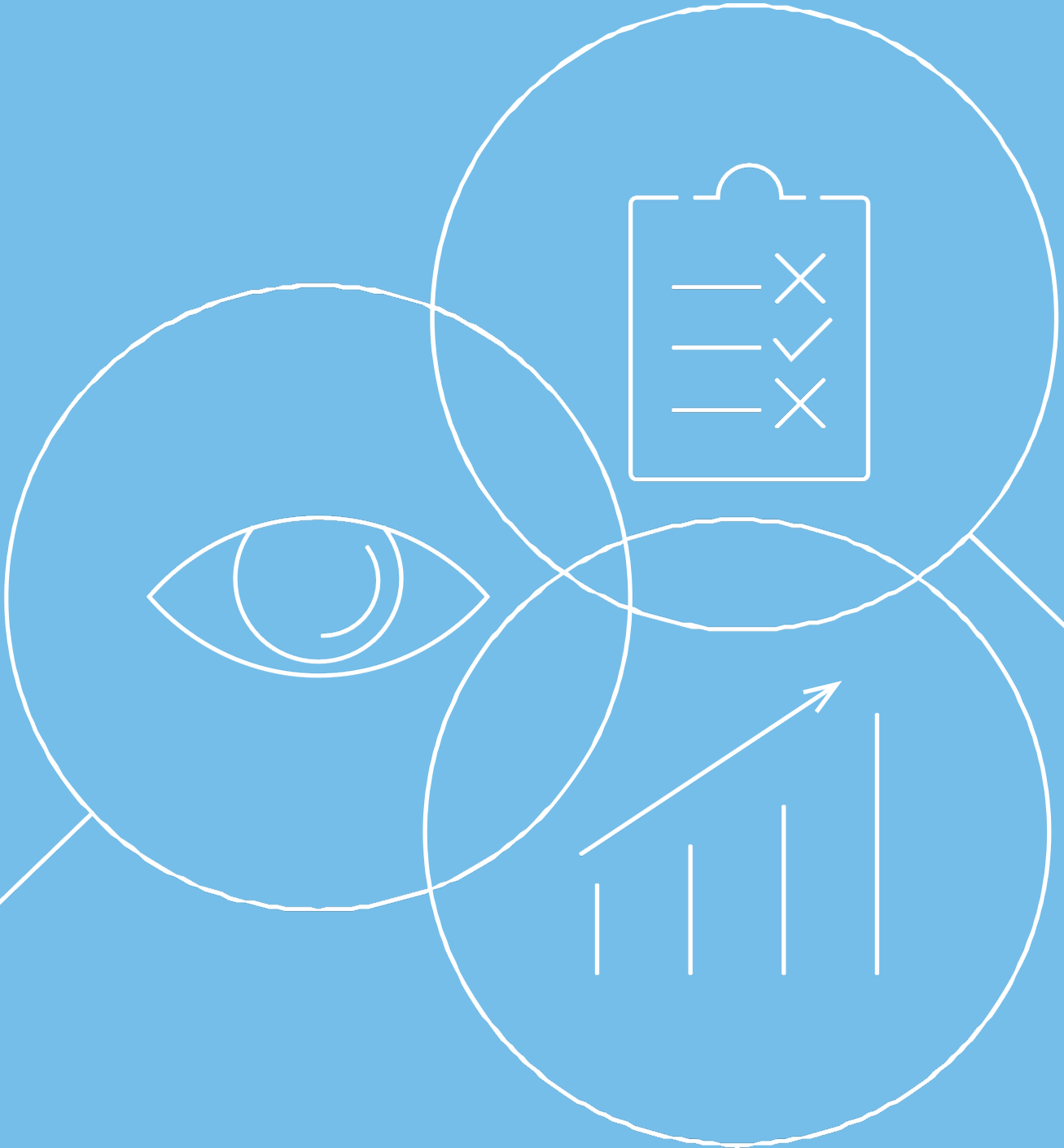


# Audit of Individual Contractor Services and Temporary Employment Agencies

Internal Oversight Reports



IOD Ref. No. IA 2022-01  
July 19, 2022  
IOD Audit Engagement



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## LIST OF ACRONYMS

<b>AFMS</b>	Administration, Finance and Management Sector
<b>AIMS</b>	Administrative Integrated Management System
<b>ARE</b>	Advertise-Response-Evaluation
<b>COVID-19</b>	Coronavirus Disease 2019
<b>FRR</b>	Financial Regulations and Rules
<b>HR</b>	Human Resources
<b>HRMD</b>	Human Resources Management Department
<b>ICS</b>	Individual Contractor Services
<b>IA</b>	International Advertisement
<b>IIA</b>	Institute of Internal Auditors
<b>ICT</b>	Information and Communication Technology
<b>ICTD</b>	Information and Communication Technology Department
<b>IOD</b>	Internal Oversight Division
<b>M365</b>	Microsoft 365 cloud platform
<b>OI</b>	Office Instruction
<b>PO</b>	Purchase Order
<b>PTD</b>	Procurement and Travel Division
<b>RfO</b>	Request for Offer
<b>SIAD</b>	Security and Information Assurance Division
<b>ToR</b>	Terms of Reference
<b>UN</b>	United Nations
<b>WIPO</b>	World Intellectual Property Organization

## EXECUTIVE SUMMARY

1. Persons engaged on Individual Contractor Services (ICS) contracts and those hired through Temporary employment agencies are critical non-staff<sup>1</sup> resources who support the achievement of the Organization's area of strategic focus and expected results. The Procurement and Travel Division (PTD) provides support to business areas in requisitioning and hiring Individual Contractors and agency workers. The Finance Division, Human Resources Management Department (HRMD), and Office of the Controller provide the relevant support to PTD and other internal stakeholders involved in the hiring of individual contractors and/or agency workers. Overall, the expenditure on ICS increased from 13.8 million Swiss francs (2019) to 17.8 million Swiss francs in 2021. A similar trend was observed in the expenditure on agency workers, which increased from 8.3 million Swiss francs (2019) to 10.6 million Swiss francs (2021).
2. The Internal Oversight Division (IOD) noted some positive developments in managing ICS workflows. Based on test results, the audit noted a high level of compliance with the Policy on ICS including the related processes and procedures for acquiring and managing Individual Contractors. The Office Instruction (OI) on ICS has been revised twice since 2019, demonstrating agility in responding to the Organization's needs, while ensuring compliance with the spirit of the ICS contractual modality. Further, PTD maintains a dedicated page on the WIPO Intranet that provides relevant information, guidance, templates, and related documents on ICS processes and the use of agency workers.
3. As part of this engagement, IOD administered a survey to Sector Leads, Directors, Heads of business areas and staff members who are involved in planning, requisitioning, contracting and utilizing the services of ICS and Temporary employment agencies. Overall, the survey respondents were satisfied with the work of ICS and agency workers in their respective business areas. Specifically, 62 per cent (ICS) and 60 per cent (agency workers) of the respondents expressed a satisfaction level of 85 - 100 per cent. The survey participants also highlighted a number of opportunities to further enhance the management of ICS and agency workers.
4. Governance, risk management, and internal controls over the use of ICS and agency workers can be further enhanced by reviewing and revising elements of the current frameworks. For example, updating the Contractor Remuneration Scale, aligning the General Conditions of Contract for the provision of ICS with the current information security policies and practice on IT equipment allocation, and incorporating the vetting process for hiring former staff on ICS contracts within the standard operating procedures. Further, the current ICS framework does not have provisions, which address the use of Government officials or employees, who are civil servants of WIPO Member States, as Individual Contractors.
5. As the Organization moves towards a more agile workforce, supported by non-staff resources, the policy and related procedures need to be fit-for purpose and aligned with this agile approach. There are benefits to be derived from PTD proactively identifying and engaging business areas that anticipate an increase in using non-staff resources, particularly ICS contracts and agency workers, in order to better align procurement strategy with the Human Resources Strategy, which forecasts an increased use of non-staff in the workforce dynamics for the coming years.
6. Between January 2015 and December 2021, 80 agency workers served in the Organization for two years or more (some served in the same business area, while others changed business areas). Specifically, 30 served for two years while 50 served for over two

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<sup>1</sup> Non-staff resources include personnel of External providers, Agency workers, Individual Contractors, as well as Interns, Fellows, and Junior Professional Officers.

years, going up to six years. They were mostly engaged to perform administration and generic tasks, while some performed tasks similar to those of staff members. For this reason, it is unclear as to whether using agency workers for relatively long periods can still be construed as using them for “temporary staffing” needs. Therefore, it would be useful to develop an overarching policy framework for agency workers to among others, clarify existing conditions, and consolidate the current guidelines.

7. Further, some survey participants indicated that in some cases, agency workers perform generic roles that are similar to those of staff members albeit under different contract types/remuneration levels. This suggests, among others, that agency worker may possess the requisite experience and skills that are transferable and applicable to staff roles and other non-staff contracts e.g. ICS. IOD notes that between January 2018 and June 2022, there were 52 agency workers subsequently recruited as staff members, non-staff employee (fellow) or hired as non-staff personnel (ICS contract).

8. IOD notes that 31 individuals who were initially hired on ICS contracts were subsequently recruited to fill vacant temporary or fixed term posts, when their contracts ended. While the Organization does not prohibit the movement of an individual from a non-staff contract type to a staff contract and *vice-versa*, it should however be noted that the current framework does not permit the use of ICS as short-term probation for an individual who may be subsequently recruited for an upcoming staff post. In addition, there is a risk that this approach can be perceived as lacking in transparency and fairness.

9. Evaluating the performance of Individual Contractors is an integral part of assessing value for money, fostering accountability and tracking quality of deliverables and performance of contractors. IOD reviewed a random sample of 50 ICS case files, and found 22 files in which the performance evaluation form was missing, not completed or received after more than two weeks following the end of the contract. The lack of compliance and delays in completing the performance evaluation form and the constant reminders, tracking and follow-ups by PTD to ensure that the form is completed within the stipulated time, shows a lack of impetus by some Contract managers to comply with this requirement. Going forward, the Organization should consider linking the timely completion of performance evaluations to the future use of ICS contracts, and consider including these compliance aspects within the performance evaluations of Contract managers who regularly hire ICS.

10. The planned move to Microsoft 365 cloud platform (M365) as the future enterprise content management and collaboration platform provides an opportunity for PTD to enhance its digital capabilities and develop a common standard for electronic filing of ICS documents. Automating standard templates/paper-based forms and manual workflows, where relevant and practical, would enhance the ICS workflows and further support compliance with the relevant OIs. Finally, the current ICS workflow can be enhanced by establishing an internal Service Level Agreement that, among others, measures the efficiency of processing actionable/complaint files and the issuing of ICS contracts.

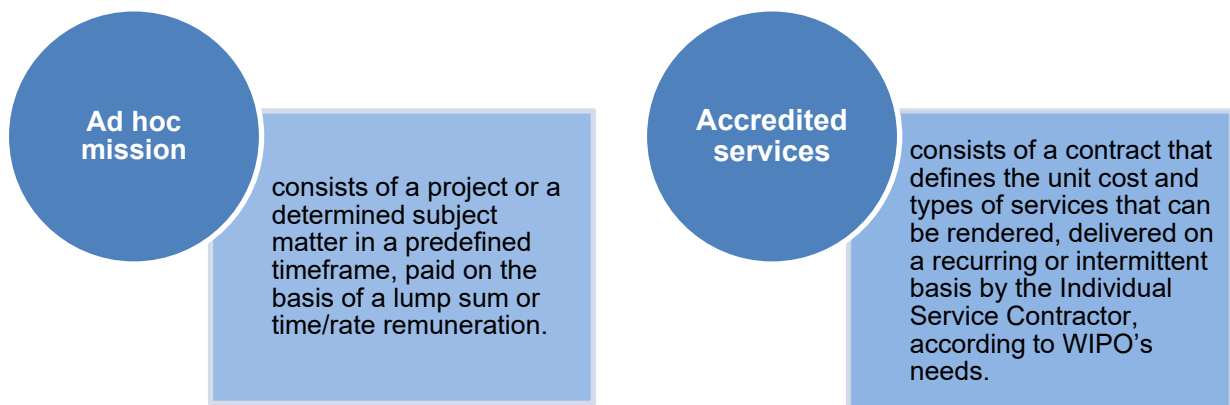
11. IOD makes 10 recommendations covering governance, strategy alignment, compliance and internal control processes, training, and systems. The respective business owners have committed to address the recommendations by the end of 2022 and 2023.

## 1. BACKGROUND

12. WIPO regularly engages non-staff resources to augment the capacity of the Organization's existing staffing structure. These non-staff<sup>2</sup> resources are engaged to perform continuous functions that are irregular or limited by time. These resources include those who are engaged through Individual Contractor Services (ICS) and Temporary employment agencies. Individuals engaged on ICS contracts and agency workers hired through their agencies are important to the achievement of WIPO's mandate and play a critical role in ensuring that the Organizational and programmatic goals are pursued and achieved.

13. In more detail, Sector Leads use ICS for the effective and timely delivery of their approved work plans, and for tasks requiring high level expertise and/or specialized skills that are not normally performed by staff, and where such (a) expertise or skills: (i) cannot be found in-house; or (ii) cannot be delivered in-house, as the level of resources is insufficient (for example, due to parental leave, extended sick leave or special leave, or the vacancy of a position pending recruitment); and/or (b) the tasks are based on clearly quantifiable and tangible services.

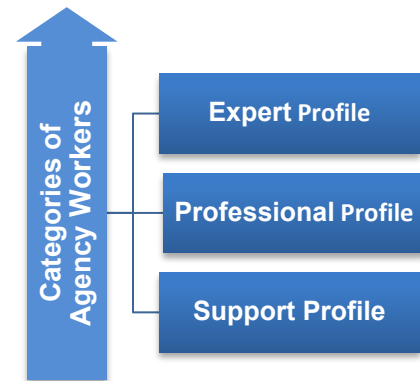
14. The tasks performed by Individual Contractors can either be for a limited period of time, or be intermittent tasks that occur irregularly and/or fluctuate in volume. Further, Individual Contractors may be either be home-based (approx. 90 per cent) or based at WIPO headquarters in Geneva, Switzerland (approx. 10 per cent). Generally, the work performed by an Individual Contractor can be classified as either Ad hoc Mission (Regular ICS) or Accredited Services.



<sup>2</sup> Non-staff resources include of personnel of External providers, Agency workers, Individual Contractors, as well as Interns, Fellows and Junior Professional Officers.

15. Agency workers provide temporary cover for functions corresponding to generic tasks (e.g. secretarial and administrative) during temporary peaks in workload (e.g. to support a meeting or conference), as well as to provide support during absences, such as long-term sick leave and maternity leave.

16. Further, the Temporary employment agencies can also provide the placement of highly specialized profiles that cannot be filled by the ICS process. Since January 2019, agency workers are classified across three categories, with three levels of seniority in each category. The categories are expert, professional and support profile.



17. The Organization has a regulatory and administrative framework for acquiring and managing ICS and Temporary employment agencies. The framework consists of policies, guidelines, processes and procedures. The Financial Regulations and Rules (FRR) govern all financial activities of the Organization including those relating to ICS and Temporary employment agencies. Specifically, the authority for acquiring ICS, as for all financial transactions, arises from the Director General and his designation of Sector Leads in accordance with the FRR. The Policy<sup>3</sup> on ICS, provides the framework for acquiring non-staff resources through ICS. Equally important are the General Conditions for the provision of ICS, the Contract and Terms of Reference (ToR). Subsequent guidance on ICS and/or their terms and conditions of their contracts, should be consistent with the policy.

18. The sourcing of agency workers is similar to sourcing resources through other commercial contracts (e.g., IT Long-Term Agreements). In this case, PTD conducts a tender for companies to provide temporary resources based on established profiles and offer prices for the respective profiles. The Organization currently has two Long-Term Agreements with Swiss commercial entities. These entities provide profiles of resources for the consideration of WIPO, with contractually agreed prices for each profile. The contracts with these two entities establish the parameters applicable to the conditions for agency workers, including the requirement that the entities must conform to Swiss Employment law in respect of their employees, i.e., the agency workers. Normally, the agency workers are required to work on WIPO premises. However, organizational needs such as those resulting from the epidemiological situation (COVID-19 pandemic) may necessitate and justify limited teleworking arrangements.

19. The Procurement and Travel Division provides support to business areas in requisitioning and hiring Individual Contractors and agency workers. The Division processes requisitions and Purchase Orders (PO), prescribes the relevant forms for the hiring process, facilitates the accreditation process for Individual Contractors, and maintains the relevant documents and records for ICS. The Finance Division, HRMD, and Office of the Controller, provide the relevant support to PTD and other internal stakeholders involved in the hiring of individual Contractors and/or agency workers.

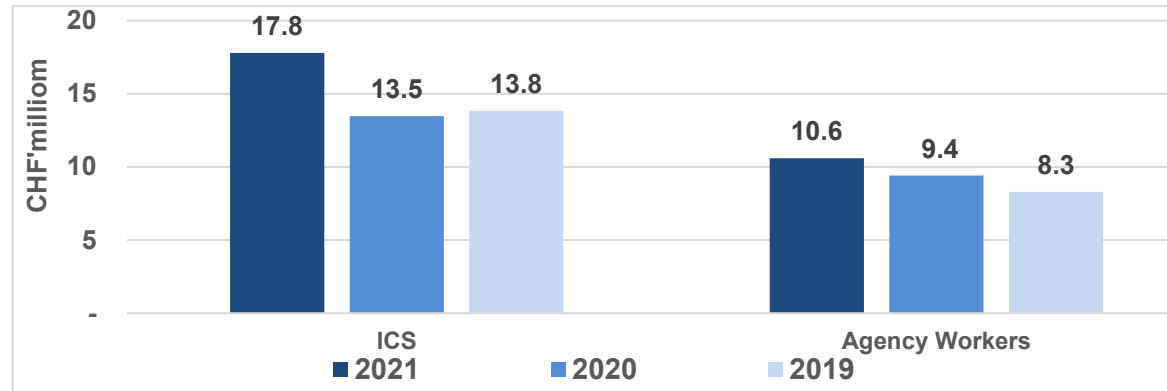
20. A review of financial data extracted from Administrative Integrated Management System (AIMS), shows that there has been an overall progressive increase in the expenditure on ICS and agency workers in the recent years. Overall, the expenditure on ICS increased from 13.8 million Swiss francs (2019) to 17.8 million Swiss francs in 2021. A similar trend was observed in the expenditure on agency workers, which increased from 8.3

<sup>3</sup> Office Instruction No. 31/2019 Rev.2 Policy on Individual Contractor Services (ICS).



million Swiss francs (2019) to 10.6 million Swiss francs (2021). Figure 1 below shows the evolution of expenditure on ICS and agency workers from 2019 to 2021.

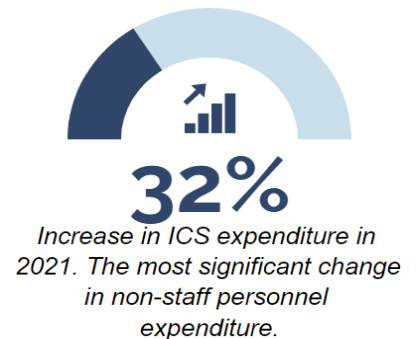
**Figure 1: Purchase Orders for Individual Contractor Services and Agency Workers from 2019 to 2021**



Year	Total Aggregated ICS and Agency Worker (CHF' million)	Split of ICS and Agency Worker PO Amounts by per cent	
		ICS	Agency Workers
2021	28.4	63%	37 %
2020	22.9	59 %	41 %
2019	22.1	63 %	37 %

Source: Prepared by IOD based on Purchase Order data from Procurement and Travel Division

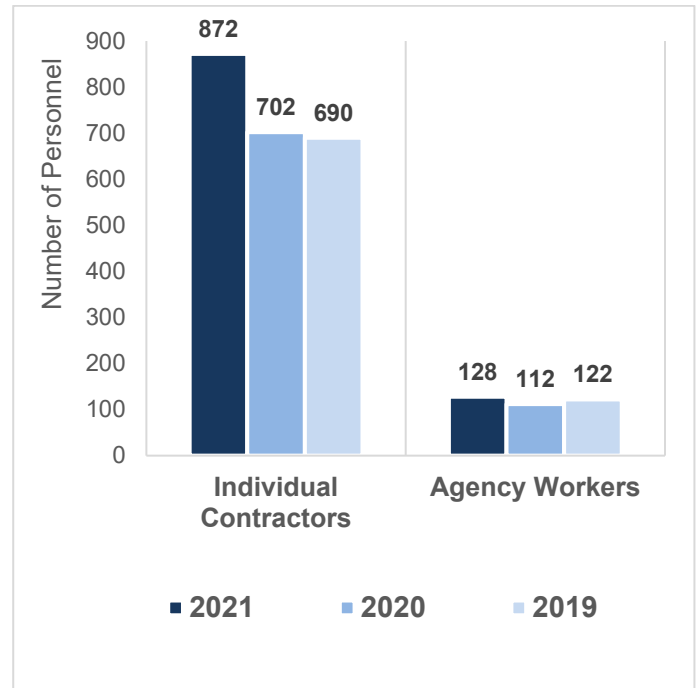
21. As can be seen in the Figure 1 above, the most significant change was the expenditure on ICS, which increased by 32 per cent (4.32 million Swiss francs) in 2021 i.e., from 13.5 million Swiss francs (2020) to 17.8 million Swiss francs (2021). Similarly, the expenditure on agency workers increased by 13 per cent (1.2 million Swiss francs) in 2021 i.e., from 9.4 million Swiss francs (2020) to 10.6 million Swiss francs. In 2020, the expenditure on agency workers increased to 9.4 million Swiss francs from 8.3 million Swiss francs in 2019. In contrast, the expenditure on ICS decreased marginally to 13.5 million Swiss francs in 2020 from 13.8 million Swiss francs in 2019.



22. In 2021, there was an overall increase of 24 per cent on the aggregated expenditure on ICS and agency workers. Specifically, the PCT system had relatively the largest expenditure on ICS contracts ,4.7 million Swiss francs, followed closely by the Administration, Finance and Management Sector which accounted for 4.6 million Swiss francs and the Regional and National Development Sector (mainly in the WIPO Academy) which accounted for 3.9 million Swiss francs of ICS contracts. Further, the Brands and Design Sector accounted for almost 40 per cent of the total PO amounts spent on agency workers with most of them being in Madrid. PTD indicated that this increase in expenditure as a result of an increase in activities in the respective Sectors.

23. The number of agency workers has been relatively steady from 2019 to 2021. The number of agency workers increased from 122 (2019) to 128 (2021) having experienced a marginal decline in 2020 when the number stood at 112. Further, there was a noticeable increase in the number<sup>4</sup> of Individual Contractors who rendered their service to the Organization, from 609 (2019) to 872 (2021).

24. Specifically, the Madrid Registry remains the Program with most agency workers while HRMD experienced an increase on expenditure for agency workers owing to an increasing demand for backfill and cover for sick and maternity leave, with Programs utilizing HRMD's budget.



## 2. AUDIT OBJECTIVES

25. The objectives of this audit were to assess:

- (a) Review the governance, risk management, and effectiveness of internal controls in requisitioning, acquiring and managing ICS and Temporary employment agencies;
- (b) Verify compliance with relevant and applicable WIPO regulations and rules, Office Instructions and procedures on ICS and Temporary employment agencies including alignment of business needs, cost efficiency and the Human Resources (HR) Strategy; and
- (c) Assess the adequacy and effectiveness of tools and systems used to support ICS and Temporary employment agencies.

## 3. AUDIT SCOPE AND METHODS

26. The engagement scope covered the period from 2019 to 2021. However, for analytical review, corroborative purposes and gaining specific insights, the period covered, in some instances, extended beyond the stated scope. The audit was conducted from February to May 2022.

27. The assignment was planned and conducted in such a way as to obtain reasonable assurance that audit objectives were achieved. The audit approach and methods included: (i) interviews with relevant stakeholders; and (ii) review of documents and records and (iii)

<sup>4</sup> The number of individual contractors and agency workers includes all the individuals for whom a Purchase Order was raised, for a new or existing contract. Further, it excludes those assigned to UPOV, and Funds-in-Trust.

data analysis. IOD optimized the use of information and communication technologies such as telephone, tele/video conferences, and electronic mail exchanges.

28. IOD reviewed the process of requisitioning, acquiring and managing ICS and agency workers including the terms and conditions of their contracts, performance evaluations, and reporting thereof.

29. Further, in February/March 2022, IOD administered a survey to Sector Leads, Directors, Heads of business areas and staff members who are involved in, among others, planning, requisitioning, contracting and utilizing the services of ICS and Temporary employment agencies. The objectives of the survey were to, *inter alia*, capture insights, perceptions and experiences of these stakeholders in contracting and working with ICS and Temporary employment agencies.

30. The Audit was performed in accordance with the International Standards for the Professional Practice of Internal Auditing (the Standards) issued by the Institute of Internal Auditors (IIA).

#### 4. OUTCOMES

31. The objectives and outcomes of the Audit are summarized below.

S/n	Objective(s)	Outcome(s)
(a)	Review the governance, risk management, and effectiveness of internal controls in requisitioning, acquiring and managing Individual Contractor Services and Temporary employment agencies;	There are opportunities for the Organization to enhance the governance of ICS and agency workers by reviewing and revising some aspects of the current frameworks. For example, updating the Contractor Remuneration Scale, aligning the General Conditions of Contract for the Provision of ICS with the current information security policies and practice on IT equipment allocation, and incorporating the vetting process for hiring former staff on ICS contracts within the standard operating procedures. Further, developing an overarching policy framework for agency workers would be useful in consolidating the current guidelines and aligning them with practice and help in providing clarity on some grey areas in the existing guidelines.
(b)	Verify compliance with relevant and applicable WIPO regulations and rules, Office Instructions and procedures on ICS and Temporary employment agencies including alignment of business needs, cost efficiency and the HR Strategy;	Based on test results, IOD observed a high level of compliance with the Policy on ICS including the related processes and procedures for acquiring and managing Individual Contractors. There are opportunities to proactively identify and engage business areas that anticipate an increase in using non staff resources, particularly ICS contracts and agency workers, to determine the alignment of procurement strategies and resources with the HR Strategy.

(c)	Assess the adequacy and effectiveness of tools and systems used to support ICS and Temporary employment agencies.	<p>The Organization’s planned move to M365 as the future enterprise content management and collaboration platform, provides an opportunity for PTD to enhance its digital capabilities, and develop a common standard for electronic filing of ICS documents. In addition, automating standard templates/paper-based forms and manual workflows, where relevant and practical would enhance the ICS workflows and compliance with the relevant OI.</p> <p>Further, there are opportunities enhance the current ICS workflow by designing and developing an internal Service Level Agreement that, among others, measures the efficiency of processing actionable/complaint files and the issuing of ICS contracts.</p>
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## 5. POSITIVE DEVELOPMENTS

32. IOD noted some positive developments on managing ICS and agency workers.

Area	Positive Development
Support Activities	PTD maintains a dedicated page on the WIPO Intranet that provides relevant information, guidance, templates and related documents on Temporary employment agencies and ICS processes.
Revision of Policy on ICS	The OI on ICS has been revised twice since 2019, demonstrating agility in responding to the Organization’s needs, while ensuring compliance with the spirit of the ICS contractual modality.
Compliance with ICS regulatory framework	Based on test results, IOD observed a high level of compliance with the Policy on ICS including the related processes and procedures for acquiring and managing Individual Contractors.

## 6. OBSERVATIONS AND RECOMMENDATIONS

33. IOD interviewed key staff members involved in the administration and management of ICS and Temporary employment agencies, conducted document reviews, walkthroughs and tests of details. The ensuing observations and recommendations, present opportunities to enhance the governance and, efficient and effective management of ICS and agency workers in the Organization

### (A) GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROLS

34. The FRR, relevant OIs, and related guidelines govern the management of ICS and Temporary employment agencies in the Organization. In addition, various internal controls

and risk management measures are in place to ensure that requisitioning, acquiring and managing Individual Contractors and agency workers are carried out appropriately.



*The majority of those surveyed, i.e., 71 per cent and 67 per cent, indicated that they were familiar with the regulatory and administrative framework for acquiring and managing ICS and Temporary employment agencies, respectively.*

*Source: IOD Survey on ICS and Temporary employment agencies.*

35. IOD notes areas in which the relevant governance, risk management and internal controls for ICS and Temporary employment agencies can further be improved or enhanced. These areas include, but are not limited to, the following:

(i) Review of Guidelines – Contractor Remuneration Scale

36. One of the key guidelines in the process of hiring an ICS is the Contractor Remuneration Scale. The guideline sets out the daily and monthly remuneration rates for Individual Contractors. Further, they are useful in setting the minimum rate and ensuring that the agreed rate with a contractor remains within reasonable boundaries.

37. IOD notes that the guideline has not been revised since February 2014, i.e., over eight years ago as of April 2022. Over the years, the market rates for Individual Contractors may have changed while the rates in the guideline have remained static. Consequently, the rates set out in the guideline may not be indicative or aligned with the prevailing market rates.

38. Further, the current guideline has some limitations. First, the rates presented in the guideline relate to Geneva-based contractors and do not consider regional discrepancies in remuneration. WIPO hires Individual Contractors from all over the world, many of whom are home based (approximately 90 per cent) or work remotely in different countries. Second, the rates in the guideline are based on the years of experience without considering the diversity of expertise or professions of the Individual Contractor e.g., Information Technology, Intellectual property, translation, economics, statistics etc.

39. Regularly revising the guidelines that are part of the ICS framework is a good practice. It helps ensure that the framework is aligned and responsive to the evolving and dynamic needs of the Organization including developments in the external environment. The revised guideline should reflect fair market prices, and optimize savings for business areas while still allowing them to secure high-quality ICS.

(ii) Overarching Policy framework for Agency Workers

40. Agency workers are assigned by the employment agency to the Organization to cover temporary staffing needs. These individuals have no contractual relationship with WIPO and their employment conditions are governed by their contract with the commercial entity. However, all agency workers working at WIPO are subject to the standards of conduct outlined in WIPO's Staff Regulations and Rules.

41. In contrast to ICS, which are governed by an OI and some guidelines, the use of agency workers is mainly governed by guidelines. The guidelines are separate documents or part of a set of related documents. The documents include but are not limited to the Compendium of Contracts for WIPO Workforce, the information session presentations, Frequently Asked Questions (FAQ) prepared by HRMD, including the contracts with the respective Temporary employment agencies (or suppliers).

42. Further, there is a need to clarify some provisions in the guidelines and assess their

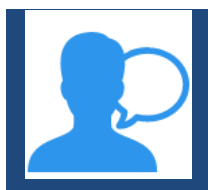
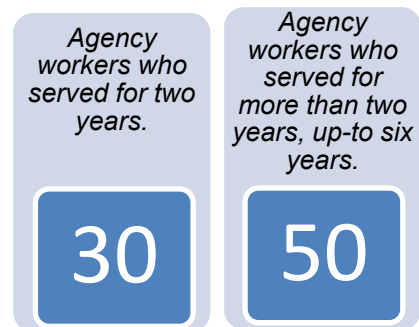
alignment with practice. For example, the guidelines state that agency workers should be used for “temporary staffing needs” only. In practice, some business areas engaged the services of agency workers for cumulative periods ranging from two to six years, sometimes continually.



*The hiring of agency workers in the last two to three years were mainly driven by, the need for temporary cover for functions corresponding to generic tasks (35 per cent), the need to outsource certain tasks, which our business area /Organization did not wish to perform with its regular workforce (35 per cent), and the need for temporary support in the event of absences such as long-term sick leave and maternity leave of non-temporary staff members (29 per cent).*

*Source: IOD Survey on ICS and Temporary employment agencies.*

43. IOD’s review of agency workers engaged from January 2015 to December 2021 identified 80 who served in the Organization for two years or more (some served in the same business area, while others changed business areas). Specifically, 30 served for two years while 50 served for over two years, going up to six years. They were mostly engaged in to perform administration and generic tasks, with some performed tasks similar to those of staff members. For this reason, it is unclear and questionable as to whether using agency workers for relatively long periods can still be construed as using them for “temporary staffing” needs.



*“Agency workers should only be hired for short periods as support during defined absences. In reality, due to the limitation of the number of posts, agency workers are hired for work which should be performed by regular staff, they stay sometimes several years which raises expectations to be hired on a staff contract”.*

*Survey participant: IOD Survey on ICS and Temporary employment agencies.*

44. Going forward, an overarching policy framework for agency workers would be useful in consolidating the current guidelines and aligning them with practice. In addition, the policy would help in addressing some key aspects, among others, the growing and prolonged use of agency workers, the recent introduction of three classifications, including identifying and resolving any lacunas and grey areas in the existing guidelines. The development of this policy should consider the timeline for the new tender for Temporary employment agencies planned for early 2023.

(iii) Alignment of Procurement Strategy with Human Resources Strategy

45. One of the key objectives outlined in the Human Resources (HR) Strategy (2022-2026) is to improve organizational agility and create adequate flexibility to meet the evolving staffing needs of the business units while also enhancing diversity and inclusion.

46. The HR strategy includes an analysis of workforce dynamics that was conducted in June 2021. According to the analysis, 71 per cent of the 1,579 employees were on regular staff contracts, four per cent on temporary staff contracts, and 25 per cent on non-staff contracts. Significantly, the strategy points out that “with the increasing business demands for new skills and the current restrictions on the number of positions, it is to be expected that the proportion of non-staff contracts will increase”.

47. The analysis of ICS and agency worker data shows that from 2019 to 2021, the



number of Individual Contractors and agency workers has been steadily rising. This trend is likely to be the case beyond 2021 if business areas continue on the same trajectory and opt to make use of these resources more than other non-staff contracts, e.g., external providers. Inevitably, this projected increase in using non-staff resources may have implications for PTD in terms of the responsiveness of its procurement strategies, the lead time for processing requisitions and POs, and the adequacy of its resources and tools, among others.

48. Therefore, it would be prudent for PTD to consult business areas on the proportion of Individual Contractors and agency workers that will make up the non-staff in the near future. The business areas should be in a position to provide reasonably accurate information on how they plan to make use of ICS contracts and agency workers in the coming years. The discussions with business areas will inform the review of the alignment of procurement strategies with the HR strategy. The review should consider, among others, the adequacy of the current strategies and resources, the effectiveness and efficiency of current systems and tools in coping with the expected increase in non-staff contracts. In addition, PTD and HRMD should optimize the use of the new budget and planning tool (Board) to allow them to draw the requisite information on non-staff resources.

(iv) Provision of Various Equipment to Individual Contractors

*Revising the General Conditions Contract for the Provision of ICS*

49. The General Conditions of Contract for the Provision of Individual Contractor Services state that, except as expressly provided in the Contract, the Contractor shall be responsible at their sole cost for providing all the necessary personnel, facilities, equipment, material, and supplies and for making all arrangements necessary for the performance of the services under the Contract.

50. IOD's review of workflows and related processes for managing equipment, materials and supplies shows that it is common practice for the Organization to allocate and assign ICT equipment to Individual Contractors for the performance of their services. For example, from January to October 2021, 63 laptops, 35 desktops/workstations, and 137 monitors, among others, were allocated and assigned to Individual Contractors, based in Geneva and other countries in the world.

51. The example above demonstrates the common practice of providing Individual Contractors with ICT equipment. However, this practice needs to be reconciled with the stipulated requirement that Individual Contractors should provide their own equipment necessary for the performance of their work as outlined in the General Conditions of Contract for the Provision of ICS.

52. It is important to note that in accordance with the relevant Information Security policies and standards, only WIPO's approved and verified end-points (e.g., laptops, desktops, mobile phones, and tablets) are allowed to connect to the corporate network. In addition, the policies exclude provisions which would allow personnel to bring and use their own devices (i.e., a Bring Your Own Device scenario).

53. Going forward, there is a need for PTD to liaise with Security and Information Assurance Division (SIAD), Information and Communication Technology Department (ICTD) and other internal stakeholders, to better understand the current practice of allocating ICT equipment to both onsite and home-based Individual Contractors who require access to the corporate network. These discussions will inform the alignment of the current practice and the General Conditions of Contract for the Provision of ICS.

*Handover of Equipment by Non-Staff Personnel*

54. Currently, there are no procedures in place that would ensure that non-staff employees and non-staff personnel (e.g., Individual Contractors or agency workers) timely hand over

ICT equipment to ICTD through their respective Program manager or the person nominated for the role. Further, the absence of a clear workflow has resulted in multiple practices of handing over equipment directly to either the Program manager or ICTD, thus making it a challenge to confirm the completeness of the equipment returned, and those held by non-staff personnel/employees.

55. The remote working arrangements and the hiring of Individual Contractors from different geographical regions, most of whom are home-based, has resulted in the wider dispersion of ICT equipment such as laptops. Therefore, it is imperative to have a proper system in place to safeguard the equipment and ensure its timely handover at the end of the ICS contract.

56. IOD made a recommendation in the Audit of Management of Assets, Supplies, and Materials (IA 2020-02), focused on enhancing procedures for the handover of ICT equipment assigned to non-staff members. The recommendation requires ICTD to work with the Security and Information Assurance Division, HRMD, and other relevant internal stakeholders to implement procedures that will ensure that ICT equipment assigned to non-staff members/personnel is promptly returned and their account terminated at the point of separating from the Organization.

57. IOD envisages that implementing the recommendation highlighted above will result in a more structured, clear and seamless flow of information between and among the relevant internal stakeholders that are involved in safeguarding and handing over of ICT equipment assigned to non-staff members, particularly Individual Contractors.

(v) Risk Management – Review of Non Staff Resourcing and Inherent Risks

*Review of Non Staff Resourcing and related risks*

58. In July 2018, the Organization set up a cross-functional Risk management Working group<sup>5</sup> to review a risk on non-staff resourcing which was assessed as “significant”. The risk was identified as follows: *WIPO’s Managers who consider resource frameworks and staff related administrative processes as complex and cumbersome are resorting increasingly to the use of a variety of contract types (ICS, agency personnel, external provider, etc.), over extended periods of time, for roles that do not necessarily merit such mechanisms, generating an increasing risk of (i) exposure to litigation, and (ii) lack of operational continuity and effectiveness, which may result in reputational damage as well as incur financial costs.*

59. The ownership of the risk was assigned to the Controller, and the mitigation action to the Office of the Controller. The action called for a comprehensive review of the evolution of contract types to assess the scale of the problem, its ramifications and the proposed resolution.

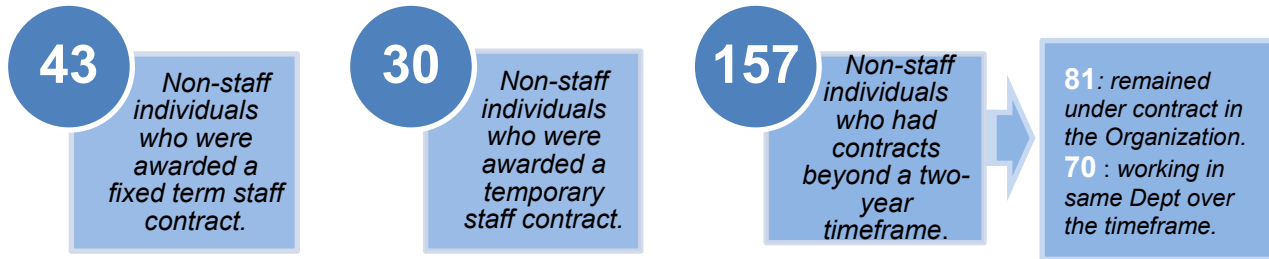
*Summary Findings of the Working Group*

60. The analysis reviewed 1,270 contracts of those individuals who were on non-staff and/or temporary contracts during the period 2015-2018. It was found that 230 individuals had been engaged with the Organization for two years or more under different, and not necessarily consecutive, contracts. The review identified three specific patterns as shown below:

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<sup>5</sup> Office of the Controller and a cross-functional group, comprising representatives from HRMD, OLC, PTD and DPPF.





61. The Working group identified 70 individuals working within the same department, over the review timeframe, as the ones that represented the highest risk population regarding exposure and prevalence of the risk of litigation from certain individuals claiming staff-like work.

62. In addition, two other risks were identified and addressed in separate discussions. The risks were, over-reliance on non-staff leading to continuity issues, and breach of local laws and tax regulations by Headquarters based non-staff contract holders. These risks did not lend themselves easily to quantitative analysis. However, the group discussed the substance of these and agreed that mitigation measures could be put in place to monitor and manage them.

63. The three risks arising from the review were assessed as “low” for overall severity and would remain at that level with appropriate mitigation. The actions proposed and implemented for these risks centered on monitoring the evolution of contract hopping across various non-staff and staff contracts, and regular review with internal stakeholders. In addition, Workforce planning would help in addressing the nature of functions to be performed and appropriate alignment with contract types.

*Inherent limitations in managing ICS workflow related Risks*

64. The Policy on Individual Contractor Services outlines general principles that serve as fundamental considerations in the use of ICS by Contract managers. These include best value for money, effective and broad competition for the award of ICS contracts; fairness, integrity and transparency in the acquisition of ICS; the best interests of WIPO; and prudent acquisition practices.

65. IOD observes that the nature and design of the ICS processes embeds some level of inherent risk that requires the judicious application of the general principles espoused in the OI. For example, the Contract manager is responsible for identifying, selecting and managing the ICS contract. In addition, they set the deliverables, assignment due dates, qualification and skills requirements, which inform the setting of the remuneration rate for the contractor. At the end of the contract, they evaluate the work performed by the contractor against the ToR. This evaluation is done on the understanding that supervisors of contractor are adequately trained in conducting the exercise and that the ToR includes a clear description of tasks to be performed and evaluated.

66. In addition, there is no requirement for periodic or interim evaluation of the performance of Individual Contractors who are on relatively longer ICS contracts. For relatively long term contracts (e.g., more than one year), it would be prudent to evaluate the performance of an Individual Contractor during the course of their contract (e.g., quarterly or half- yearly review) to ensure, among others, the early detection and resolution of performance related challenges.

67. The roles and responsibilities of the Contract manager are intertwined with considerable authority over the ICS contract. Therefore, Contract managers are expected to consistently apply the general principles outlined in the policy as this will most likely reduce

or eliminate the risks associated with ICS contracts e.g., flawed competitive procedures.

(vi) Internship, Fellowship Programs and Individual Contractor Services

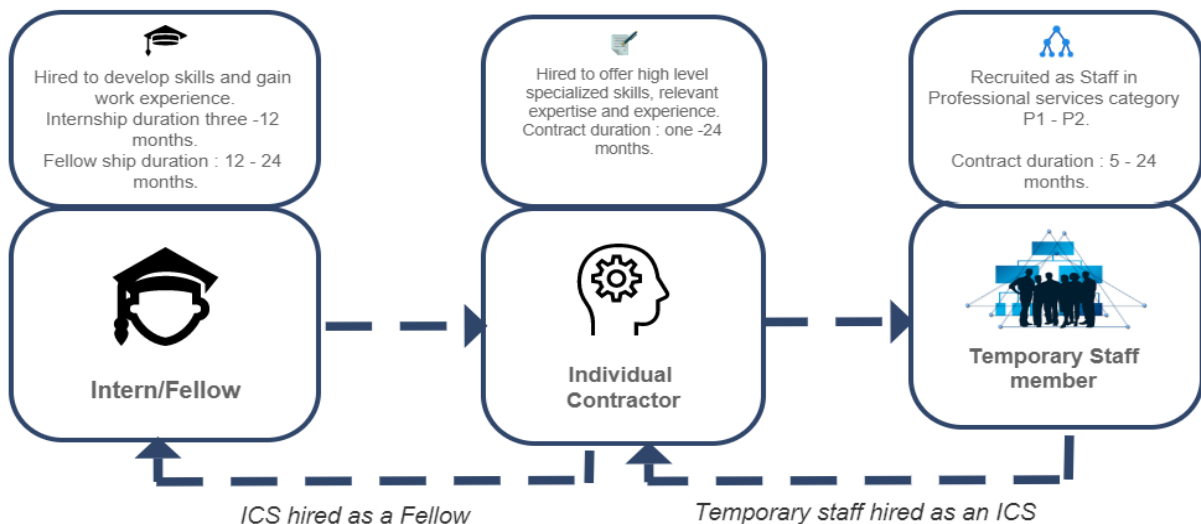
68. The WIPO internship program provides interns with an opportunity to complement their education and develop their professional skills and experience through participation in work in an international context. To be eligible to apply as an intern, an applicant must be enrolled in a first-level or advanced university degree or have completed a degree within the past two years. The duration of an internship is three to six months for students or holders of a first-level degree and students pursuing an advanced degree. In addition, the internship duration is three to 12 months for holders of an advanced degree or graduate students who completed their coursework.

69. Further, the Organization runs a Fellowship program which aims to provide fellows with experience to strengthen their knowledge and professional competence, which they can apply in their professional field once they have completed their fellowship. Normally, the duration of a fellowship ranges from 12 to 24 months.

70. IOD notes that there were 23 individuals (19 women and four men) who were hired as Individual Contractors, having previously been engaged as interns. In more detail, five individuals interned at the Organization for periods ranging from three to six months before they were hired on an ICS contract, while 17 interned for periods ranging from 7 to 12 months. Further, out of the 23 individuals, 21 were hired as Individual Contractors right after the end of their internship, while two were hired on an ICS contract after three to six months of completing their internship.

71. Figure 2 below provides an illustration of the movement of individuals from intern or fellow to Individual Contractor, then in some cases transitioning to temporary staff contracts and then back to an Individual Contractor.

**Figure 2: Contract Transitions- Internship, Fellowship and Individual Contractors**



Source: Prepared by IOD

72. In more details, five individuals who served as interns and thereafter as Individual Contractors, were subsequently recruited as temporary staff members at the end of their ICS contracts. This includes an individual who served as an intern for 12 months, an Individual Contractor for six months, thereafter as a temporary staff member for 24 months, and then hired (again) on an ICS contract for three months.

73. In addition, there were five fellows (four women, one man) who were hired as Individual Contractors within four to 12 months of completing their 12 months fellowship. On the other hand, there were four Individual Contractors who, within three to four months of their contract ending, were selected to pursue a fellowship.

74. There is no rule that prohibits the movements illustrated above or a requirement to observe a cooling off period when moving to a different contract type. However, in the case of interns and fellows moving to non-staff contracts (e.g., ICS) we need to be cognizant of the primary aim of these Programs. The Internship and Fellowship programs aim at fulfilling a specific role in the Organization and essentially provide successful applicants with an opportunity to gain professional work experience. In contrast, the ICS mechanism provides Sector Leads with an avenue to hire Individual Contractors who perform tasks that require high-level expertise and/or specialized skills that cannot be found or delivered in-house.



*In the last two to three years, the reasons business areas engaged ICS were: Expertise or skills could not be found in-house (79 per cent), the tasks were based on clearly quantifiable and tangible services (44 per cent), the level of in-house resources was insufficient (42 per cent), to reinforce an existing team (42 per cent) and to manage a project (40 per cent).*

IOD Survey on ICS and Temporary employment agencies.

75. Therefore, the seamless movements from intern/fellow to ICS and vice versa, especially within a relatively short time, blurs the distinction between those roles and may be construed as an inappropriate use of either the ICS framework or the internship/fellowship program or both.

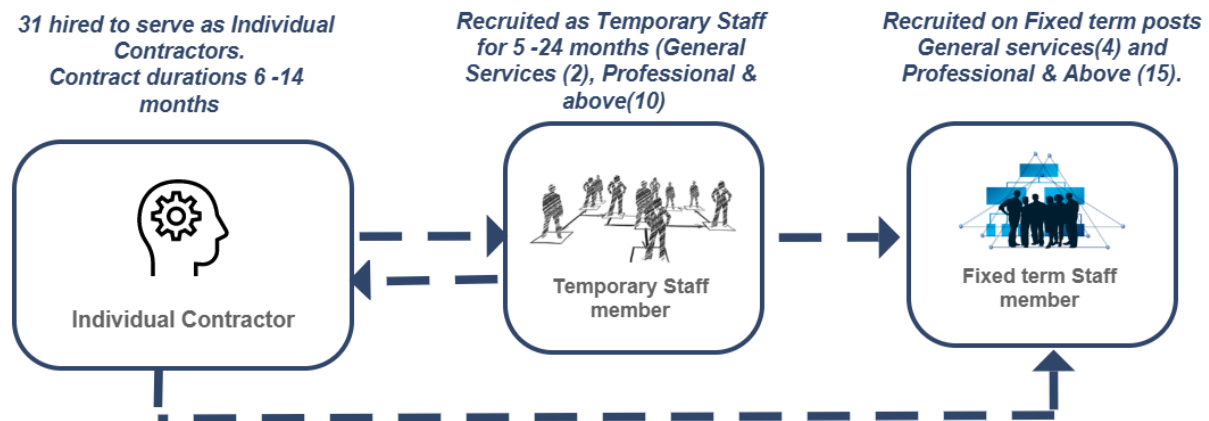
(vii) Individual Contractor Services and Staff Contracts

*Individual Contractors recruited as Staff members*

76. According to the Policy on Individual Contractor Services, Sector Leads hire Individual Contractors for tasks requiring a high level of expertise and/or specialized skills that are not normally performed by staff, and where: such expertise or skills cannot be delivered in-house, as the level of resources is insufficient (for example, due to parental leave, extended sick leave or special leave, or the vacancy of a position pending recruitment).

77. IOD notes that 31 individuals (20 women and 11 men) who were initially hired on ICS contracts were subsequently recruited to fill vacant temporary or fixed term posts, when their contracts came to an end. The staff posts that were filled were in the General services (two temporary and four fixed term) and Professional services (10 temporary and 15 fixed term) categories. The 31 includes six individuals who served on an ICS contract for periods ranging from six to 14 months, after which they were recruited to serve on temporary staff posts for periods ranging from six to 24 months and thereafter recruited to fill fixed term posts.

**Figure 3: Contract Transitions - Individual Contractors and Staff Contracts**



Source: Prepared by IOD

78. The figure above highlights how some business areas are using non-staff (i.e., ICS) and staff contracts (temporary posts) in the midst of the current limitations in the ICS and recruitment frameworks. The Organization has a limitation on fixed-term posts, and the maximum cumulative length of temporary staff posts is two years, which may be exceptionally extended to three years. In addition, duration of an ICS contract, or a series of ICS contracts by the same Individual Contractor, should not exceed the full-time equivalent of a total of 24 months over a 36 months period.

79. The Organization does not prohibit the movement of an individual from a non-staff contract type to a staff contract, and vice versa, e.g., from ICS contract to temporary or fixed term posts and vice versa. In addition, there is no “cooling-off” period that should be observed before an individual transitions from a non-staff contract to a staff contract, and vice versa, with the exception of UN retirees who need to wait for a minimum of three months to be hired on an ICS contract.

80. Discussions with the responsible persons in the respective business areas and sentiment analysis of the IOD survey revealed that the consecutive hiring of personnel on different types of contracts was driven by business needs and the current limitations in the ICS and recruitment frameworks. However, it should be noted that, based on the current framework for ICS, it is not correct to use the mechanism as a short-term probation for an individual who may be subsequently recruited for an upcoming staff post. Equally, it is not correct to use an ICS role on an experimental basis, e.g., to help determine whether a particular intermittent or ad hoc function should be converted into a regular post/function.

81. In addition, there is an inherent risk and some fragments of reputational risk associated with individuals who were initially hired on ICS contracts and subsequently recruited on staff posts. This is mainly related to fairness and transparency of the recruitment or hiring processes. Inextricably and inadvertently, individuals who previously served on ICS contracts may benefit from having a head start in the recruitment process, having gained functional knowledge and working experience of their business area, acquaintance with the Hiring manager, and familiarity with the Organization. Normally, this would be the case when the vacancy to be filled falls within the same business area and has similar roles to those that the individual performed under an ICS contract.

#### *Former Staff hired as Individual Contractors*

82. From January 2019 to December 2021, ten former WIPO staff members were hired on an ICS contract. IOD observed that during the period in which they were hired there was no procedure for vetting them.

83. In September 2019, IOD completed an investigation on the awarding of a contract, via the Direct Purchase procedure to a company owned by a former WIPO employee of the requisitioning department, soon after the employee left the Organization

84. Following the investigation, IOD recommended that HRMD, in consultation with the PTD and any other relevant stakeholders, should discuss possible measures to prevent issues, such as conflict of interest situations, arising from the award of contracts to companies owned or associated with former WIPO staff, or to former WIPO staff directly through non-staff contracts.

85. In March 2022, HRMD informed IOD that, there was now a process in place for vetting the hiring, through non-staff ICS contracts, of former staff members. In such circumstances, the file is first routed via HRMD for validation, prior to being submitted to PTD for approval.

86. Going forward, it would be prudent for HRMD to document the vetting process in standard operating procedures. The procedures should outline the validation or checks that HRMD performs.

#### *WIPO and UN Retirees hired as Individual Contractors*

87. According to OI No. 39/2019<sup>6</sup>, the employment of WIPO and other UN retirees as Individual Contractor Services requires the prior approval of the HRMD and is subject to any additional conditions and procedures as set out in the OI. No retiree may be employed for at least three months after separating from service. However, in exceptional circumstances, the Director General may authorize a waiver of the three months when he or she considers it to be in the best interests of WIPO. Further, retirees may not earn over 50,000 Swiss francs per calendar year from the remuneration paid by WIPO.

88. During the period 2019-2021, four individuals who retired from the UN or UN agencies were hired on ICS contracts. IOD notes that one business area was exceptionally and retrospectively authorized to extend an ICS contract for a retiree and pay them 21,000 Swiss francs more than the threshold prescribed in the OI. Another business area was exceptionally authorized to engage a WIPO retiree on an ICS contract less than three months after separating from the Organization.

#### (viii) Agency Workers Transitioning to Other Contract Types

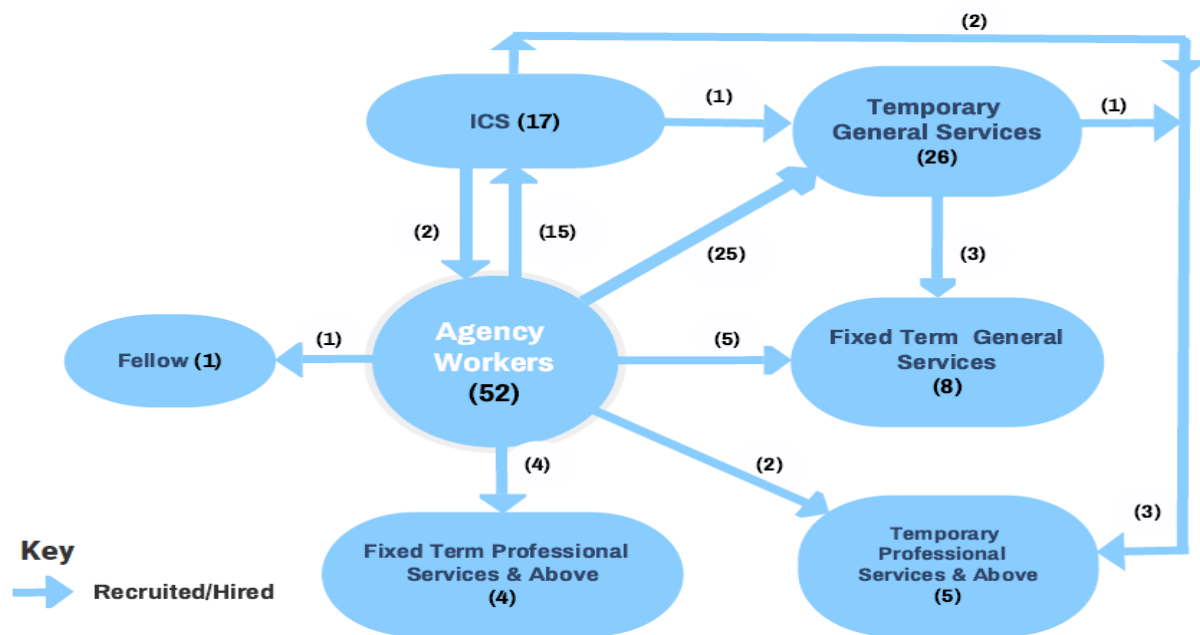
89. Agency workers are individuals assigned by the employment agency to WIPO to cover temporary staffing needs. They are not WIPO staff and are not eligible for any benefits or other related entitlements through the Organization.

90. From January 2018 to June 2022, IOD notes that there were 52 agency workers who were subsequently recruited as staff members, non-staff employee (fellow) or hired as non-staff personnel (ICS contract). The figure below provides a summary of the movement of agency workers and the different categories of contracts they transitioned to.

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<sup>6</sup> Office Instruction No. 39/2019 Employment of WIPO and other United Nations Retirees.

**Figure 4: Agency Workers Transition to Different Contract Types**



Source: Prepared by IOD based on data extracted from AIMS

91. Figure 4 shows the movement of non-staff employees i.e., agency workers to staff posts – temporary and fixed term. In more detail, the agency workers were recruited in the following categories of staff positions - Temporary General Services posts (26), Fixed term General Services (8), Temporary Professional Services and above (5), and Fixed term Professional and above (4). In addition, out of the 17 individuals who were hired on ICS contracts, 15 were previously agency workers, while two were previously interns, with one subsequently moving to a temporary professional post.

92. Since there is no prohibition on the move of an agency worker from one contract type to another, it would be important to monitor the trend in this area.

93. Some survey participants indicated that in some cases, agency workers perform generic roles that are similar to those of staff member albeit under different contract types/remuneration levels. This suggests, among others, that agency worker may possess the requisite experience and skills that are transferable and applicable to staff roles and other non-staff contracts e.g., ICS. Further, this allows them to transition to other contract types, a move that some viewed would create an expectation of a staff contract in future and others had reservations with.



*“The move of people between ICS, Agencies, Fellow, and Temporary contracts is often counter-productive and confusing”.*

*“Agency workers stay sometimes several years which raises expectations to be hired on a staff contract”.*

Survey participants:  
IOD Survey on ICS and Temporary employment agencies.

(ix) Hiring of Government Officials and Employees on ICS contracts

94. The current ICS framework does not have provisions which address the use of Government officials or employees who are civil servants of WIPO Member States as Individual Contractors.

95. IOD noted two instances in which individuals employed in a Government agency were



engaged on an ICS contract. In one of the two cases, the individual contracted on an ICS contract presented a letter to the Organization to the effect that they were permitted to undertake the ICS assignment.

96. It would be prudent to have a mechanism to identify such individuals and apply a consistent rule such as requesting that they provide a document or letter to the effect that they have been permitted by their Government to undertake an ICS assignment or granted leave for that purpose. One such mechanism would be a self-declaration approach using a modified electronic form in the recruitment system that PTD uses for hiring individuals on ICS contracts. For example, one of the steps in completing the form would include a question on whether the individual is a government official. If they provide an affirmative response, they would need to provide/upload a letter from their respective government to the effect that they may undertake an ICS assignment.

97. IOD recognizes that there are situations when the government entity employing the individual that WIPO wishes to engage allows its employees to render services on an ICS contract. This may be the case with research institutions, state-owned colleges/universities, etc. Under such circumstances, the rule may not apply.

### Recommendations

1. The Procurement and Travel Division should coordinate with the Human Resources Management Department to review and update the Guideline on Contractor Remuneration Scale.

(Priority: Medium)

2. The Procurement and Travel Division and the Human Resources Management Department should develop an overarching policy framework on Agency workers that will consolidate and be complemented by the existing and updated guidelines.

(Priority: High)

3. The Procurement and Travel Division should identify and engage business areas that anticipate an increase in using non staff resources, particularly ICS contracts and agency workers, to determine the alignment of its procurement strategies and resources with the Human Resources Strategy (2022-2026).

(Priority: Medium)

4. The Procurement and Travel Division should in coordination with the Security and Information Assurance Division, Information and Communication Technology Department and other relevant internal stakeholders, revise and align the General Conditions of Contract for the Provision of ICS with the current information security policies and practice on IT equipment allocation.

(Priority: High)

5. The Procurement and Travel Division should in coordination with Human Resources Management Department incorporate the vetting process for hiring former staff on Individual Contractor Services contracts, within its standard operating procedure. HRMD should outline the checks that they will perform before giving final clearance.

(Priority: High)

(B) COMPLIANCE

(i) Duration of Contracts for Individual Contractors

98. The Policy on Individual Contractor Services states that at any point in time, the provision of services by an Individual Contractor, the duration of an ICS contract, or a series of ICS contracts by the same Individual Contractor, is not to exceed the full-time equivalent of a total of 24 months over a 36 month period. Further, for intermittent or recurring services provided under Framework Agreements<sup>7</sup>, the duration of the agreement will be limited to the accreditation of the Individual Contractor.

*Exceptions to the Rule on ICS Contract Duration*

99. From 2019 to April 2022, two exceptions were granted to extend an ICS contract at the end of the Individual Contractor's 24 months eligibility as per provision in the OI. The business areas explained that there were extenuating circumstances that necessitated the request and the subsequent granting of an exception by Senior Management.

100. Towards the end of 2021, the WIPO Academy had about ten Individual Contractors, on the Distance learning program, who were approaching the end of their 24 months eligibility limit in the coming months. In January 2022, the Academy sought and was granted approval by the Director General for an exception from complying with the relevant provision in the OI on the 24 months limit. The exception would apply in the 2020/21 and 2022/23 biennia. The Academy explained that the exception would allow them to meet their current obligations and demand, and maintain the quality of the courses, projects, and services they offer.

101. While acknowledging that such exceptions may be granted in the best interest of the Organization, they are inconsistent with the current ICS framework. The framework does not have a provision for exceptionally extending the use of the Individual Contractors beyond the stipulated time limit. In addition, the exceptions do not absolve the Organization from the legal risks and ramifications that may arise from using non-staff members, i.e., Individual Contractors, to perform functions of a regular nature for a prolonged period.

*Survey Participants Views on Complying with the ICS Contract Duration*

102. IOD noted a high level of compliance in ensuring that ICS contracts did not exceed the duration specified in the OI. However, some survey participants expressed reservations about the design and modalities of the current ICS contracts in effectively supporting their needs, particularly, the restriction on the duration of contracts.



*25 per cent of survey respondents did not agree that the current modalities support their work. Specifically, referring to the ICS contract duration.*

<sup>7</sup> Framework Agreement: An agreement that enables on-demand utilization of services with an Accredited Individual Contractor, and which defines the unit cost and types of services that can be rendered. The applicable threshold and related certification process for Framework Agreements will be based on an estimated total annual value of the services provided under the agreement, calculated in accordance with the applicable provisions in the OI.



103. The recurring theme from the comments of the survey respondents was that the duration specified in the OI for ICS contracts is too restrictive, risky and disrupts their activities.



*“The processes for acquiring ICS are too restrictive. The thresholds on time and amounts”.*

*“Two years is sometimes very short to complete the engagement”.*

*“Two year limitation means that the person needs to leave pretty much when they're finally adding value”.*

*“Not being able to secure contracts for longer tenures that cover a project lifespan puts project execution and delivery at risk”.*

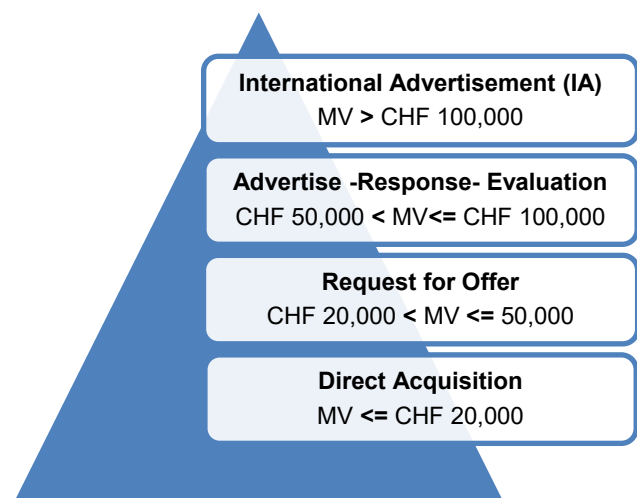
104. As the Organization moves towards a more agile workforce, supported by non-staff resources e.g., ICS and agency workers, the predicament that the WIPO Academy found itself in, may manifest in other business areas.

105. The exceptions, in that case, will be tantamount to providing a short-term solution to a long-term problem. Therefore, the Organization should continue to identify and implement strategies that mitigate the associated risks of using non-staff resources for a protracted period, while endeavoring to meet its objectives cost-effectively. This requires a high level strategic discussion, balancing the related risks against having a flexible and agile workforce. Further, the discussion should involve the relevant internal stakeholders, among others, HRMD, PTD and Office of the Legal Counsel.

(ii) Thresholds for Individual Contractor Services

106. The OI on ICS specifies thresholds for the acquisition of ICS based on the estimated value of services delivered under the contract over a 12-month period, as from the effective date of the contract, including any related costs, such as travel in connection with the assignment, if/as applicable.

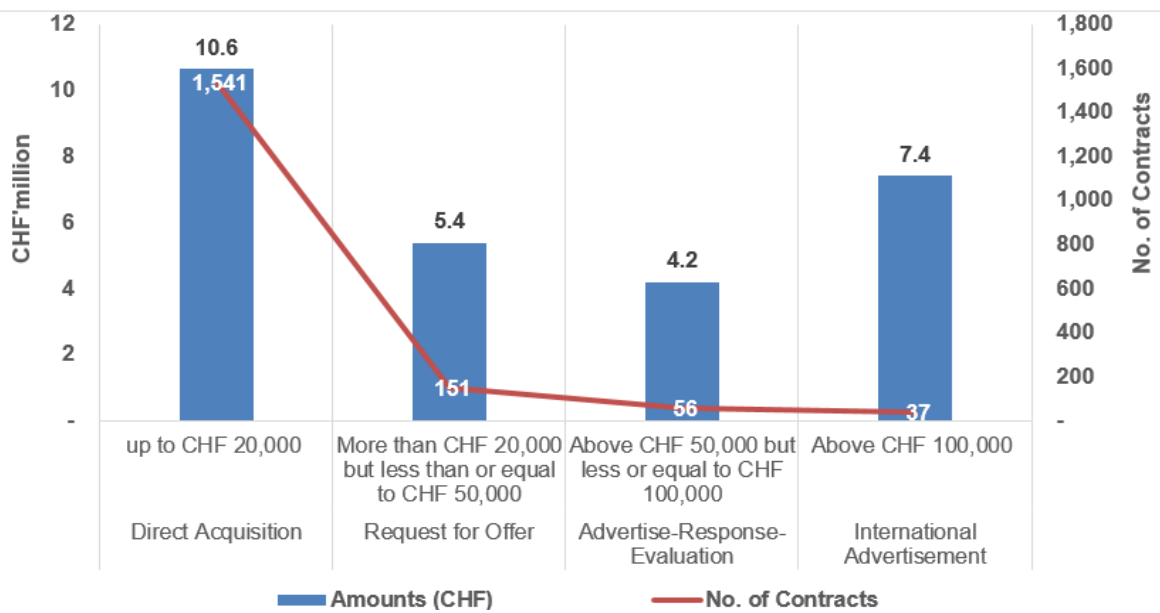
107. The four selection procedures outlined in the OI are Direct Acquisition, Request for Offer (RfO), Advertise - Response- Evaluation (A-R-E) and International Advertisement (IA). Further, the OI states that it is the Sector Lead’s responsibility to ensure that contracts are not split artificially in value or over time and that the threshold-based procedures outlined in the OI are properly applied.



The Mission value (MV) is considered to be the annual estimated value of a contract (remuneration and travel costs).

108. Based on an analysis of ICS contracts and the selection procedures used during the period January 2018 to December 2021, IOD makes the following observations:

**Figure 5: Contract Amounts per Selection Procedure from 2018 to 2021**



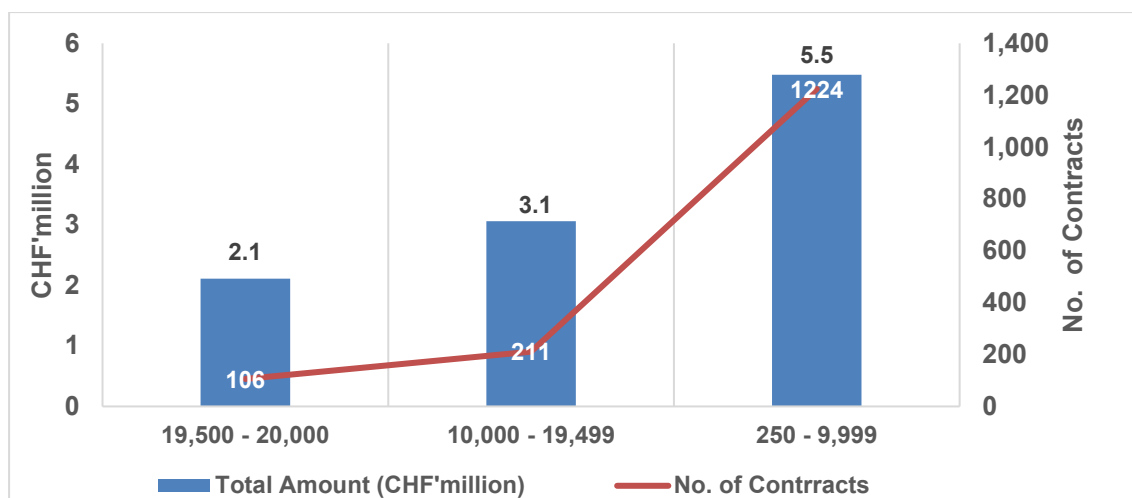
Source: Prepared by IOD, based on data extracted from AIMS

*Direct Acquisition Procedure*

109. Figure 5 above shows that the most prominent selection procedure was direct acquisition, with contracts amounting to 10.6 million Swiss francs, accounting for 39 per cent of all the contracts amounts.

110. Further analysis shows that the majority of contracts (1,224) under the direct acquisition were below 10,000 Swiss francs, while 20 per cent of the cumulative contract amounts were in the range of 19,500 to 20,000 Swiss francs, as shown in figure 6 below. Whilst direct acquisition method is a simplified and relatively efficient process, it lacks the level of rigor and transparency associated with other selection methods (with higher thresholds), and is thus susceptible to undesirable practices, if not well managed and monitored.

**Figure 6: Contract Amounts for Direct Acquisition Procedure from 2018 to 2021**

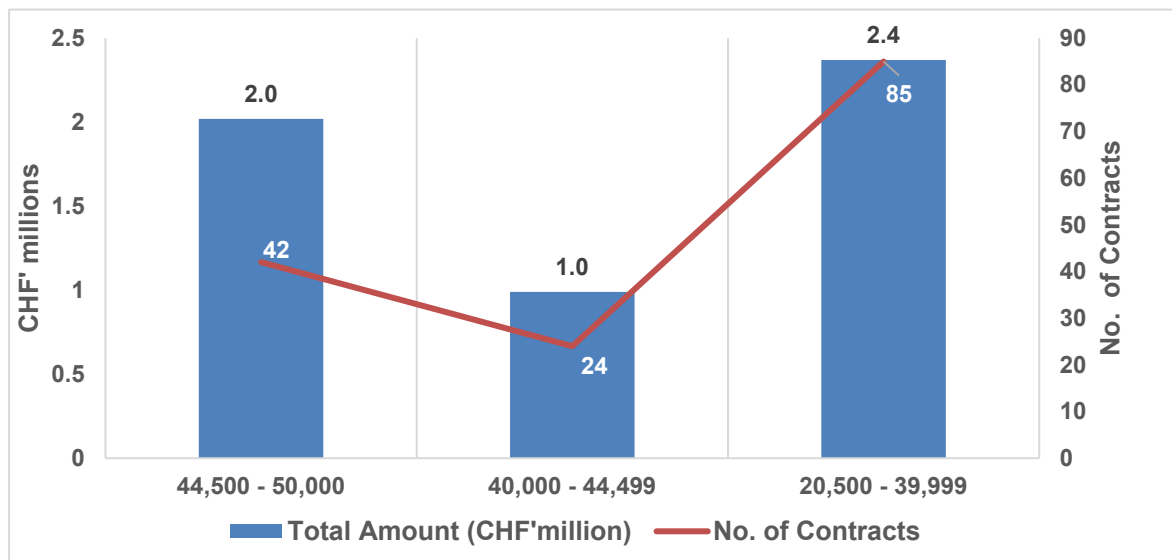


Source: Prepared by IOD, based on data extracted from AIMS

*Request for Offer Procedure*

111. For a contract value estimated to be more than 20,000 Swiss francs but not exceeding 50,000 Swiss francs over a period of 12 months, a Request for Offer is undertaken. Essentially, the Sector Lead identifies three qualified candidates in the market and selects one that offers the best value for money. Interviews are optional. Figure 7 below shows the distribution of the contract amounts and number of contracts under the Request for Offer procedure.

**Figure 7: Contract Amounts for Request for Offer Procedure from 2018 to 2021**



Source: Prepared by IOD, based on data extracted from AIMS

112. In the direct acquisition and RfO, having the initial contract amounts on the cusp of the thresholds of the respective selection procedure limits the business area's flexibility and leverage if they encounter unforeseen challenges and need to extend the ICS contract. Therefore, PTD should continue to monitor business areas that regularly have ICS contract amounts right at the edge of the threshold (e.g., 19,950, 49,980 Swiss francs) and/or remind them not to expect to be granted an exceptional contract extension. In addition, setting the contract amounts at the limit of the respective selection procedures may create a perception that the Sector was avoiding to shift to another selection procedure that requires more effort and time.

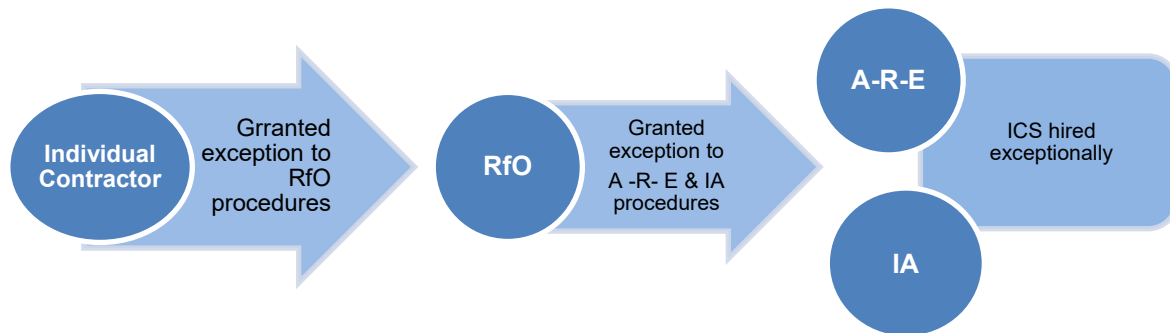
*Exceptions to the Competitive Selection Procedures for Individual Contractor Services*

113. According to the Policy on ICS, any exceptions to the threshold based selection procedures outlined in the OI, should be approved by the Senior Official in charge of the Administration and Management Sector. The reasons must be recorded in writing.

114. In 2019/2021, there were 16 instances in which business areas requested for and were granted an exception to conducting a competitive selection procedure. Among the reasons advanced for requesting for the exception were, the urgent need to secure an ICS with the requisite profile pending the recruitment of a staff member, filling a vacancy pending lengthy staff recruitment process, contract extension for an ICS initially engaged through one of the lower threshold selection procedures, and need for business continuity.

115. In more detail, the 16 instances include two instances where the business areas requested and were granted exceptions to conducting a succession of competitive procedures. First, an Individual Contractor who was initially hired via direction acquisition

was granted an exception to the RfO procedure and then an exception to A-R-E procedure, to extend their contract. Next, an ICS who was granted an exception to RfO procedures was later on granted an exception from International Advertisement procedure when their contract needed to be extended.



116. Requesting for and granting exceptions to competitive processes is consistent with the provisions in the ICS framework. However, a closer examination of some reasons advanced by the business areas shows that with better planning and anticipation of needs, the urgent need, and accompanying expenditure on ICS can be reduced, eliminated, or better managed. For example, the urgent need and use of ICS owing to the relatively known lengthy recruitment process, and retiring staff members, can be better managed with better planning and coordination with HRMD.

(iii) Payments and Confirmation of Satisfactory Performance

117. According to the Policy on Individual Contractor Services, payments to individual contractors are made subject to prior written confirmation of satisfactory performance against the terms of the ICS contract or the completion of an acceptable deliverable. Further, the written confirmation of satisfactory performance against the terms of the ICS contract is made by the Sector Lead and recorded in the ICS file.

118. In addition, the General Conditions of Contract for the Provision of Individual Contractor Services state that payment should only be made for tasks or deliverables that have been accepted by WIPO. The Organization undertakes to make payment within 30 days of the acceptance of the tasks or deliverables, and of receiving an invoice from the Contractor, whichever is later.

119. While the OI makes reference to having written confirmation of satisfactory performance recorded in the ICS file, in practice this is not done. According to PTD, the confirmation of satisfactory performance for the purpose of payment is given by the Sector directly to Finance Division within AIMS through the receipting function, as is the case for payment of procurement invoices.

120. Going forward, PTD should revise the Policy on Individual Contractor Services and align it with practice. Specifically, the revision should provide clarity on the written confirmation of satisfactory performance against the terms of the ICS contract or the completion of an acceptable deliverable.

(iv) Performance Evaluation of Individual Contractors

121. According to the Policy on Individual Contractor Services, all contracts with a cumulative value of over 20,000 Swiss francs in 12 months are subject to a performance evaluation of the Individual Contractor. The Sector Lead should ensure that the performance evaluation is completed within two weeks following the end of each contract, on the form prescribed by PTD.

122. IOD reviewed of a random sample of 50 ICS case files, were each file had a contract

with a value of over 20,000 Swiss francs. Out of the sampled files, there were 22 files in which the performance evaluation was missing, not completed or received after more than two weeks following the end of the contract. In some cases, the performance evaluation had not been submitted for over three months. This was especially the case for one-off contracts. There was a relatively higher level of compliance in completing the performance evaluation for contracts that were subject to renewal or extension.



*Overall, the survey respondents were satisfied with the work of individual contractors in their business areas. Specifically, 62 per cent (ICS) compared to 60 per cent (agency worker) of the respondents expressed a satisfaction level of 85 - 100 per cent.*

IOD Survey on ICS and Temporary employment agencies.

123. The engagement of individuals as Contractors under the ICS modality is subject to the general principles of procurement. One such principle is best value for money in procuring goods and services. Therefore, evaluating the performance of Individual Contractors is an integral part of assessing value for money, fostering accountability and tracking the performance of contractors. Further, many organizations within the United Nations common system, e.g., WHO, UNICEF, WFP, and UNDP use structured and standard forms for assessing the performance of consultants or Individual Contractors. Accordingly, the appropriate and consistent use of performance evaluations for Individual Contractors in WIPO is consistent with common and good practices in the UN.

124. The lack of compliance and delays in completing the performance evaluation and the constant reminders, tracking and follow-ups by PTD to ensure that the form is completed within the stipulated time, shows a lack of impetus by some Contract managers to comply with the OI.

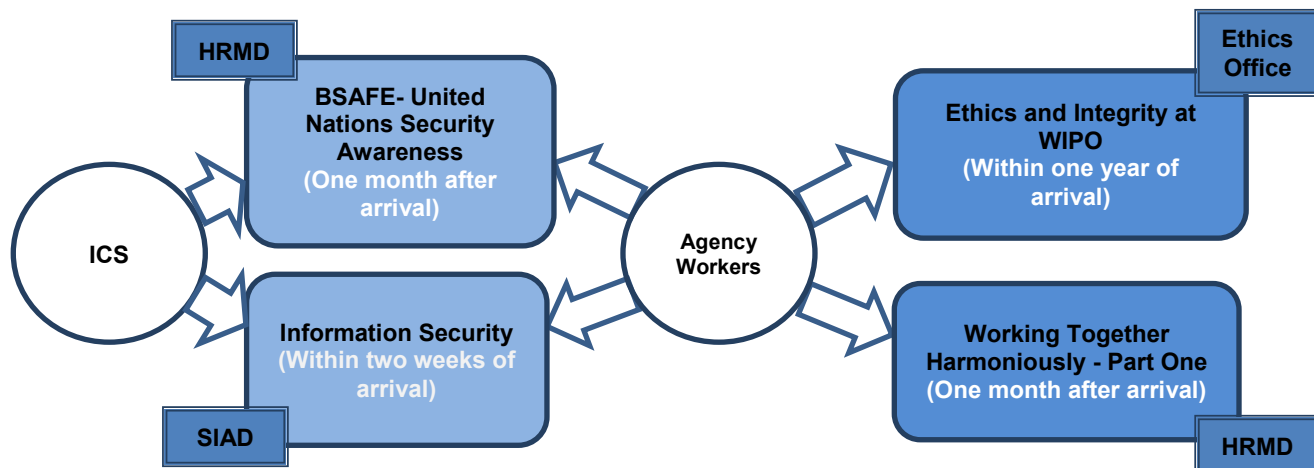
125. Going forward, the administrative cost of ensuring compliance with the OI can be reduced or eliminated by moving from paper-based forms to automated digital forms that can be completed via a self-service portal. Further, the added value from this approach can be enhanced by analyzing the data collected from the completed digital forms, to identify any useful trends, patterns or relationships between relevant parameters.

126. In addition, the Organization should link the timely completion of performance evaluations to the future use of ICS contracts, and even consider including these compliance aspects within the Performance Management and Staff Development System (PMSDS) of Contract managers who regularly hire Individual Contractors on ICS contracts.

(v) Mandatory Training Courses

127. In the interest of the Organization and that of non-staff members, it is mandatory for Individual Contractors and agency workers, who meet a set of criteria, to complete selected self-paced e-learning courses within a stipulated time of arriving in the Organization.

**Figure 8: Mandatory Courses for Individual Contractors and Agency Workers**



Source: Prepared by IOD, based on data extracted from AIMS

128. Figure 8 above shows the mandatory courses, the period within which Individual Contractors and Agency workers are expected complete them including the business areas responsible for administering and monitoring the course completion.

129. IOD notes that there are opportunities to enhance the mechanisms for monitoring and reporting on the completion rates of mandatory courses by non-staff members, particularly Individual Contractors and Agency workers. IOD makes the following observations on the mandatory courses depicted in the figure above.

*United Nations Security Awareness Course and Working Together Harmoniously - Part One*

130. During the period under review, HRMD was using the Enterprise Learning Management System (ELM), which is part of AIMS, to monitor the completion of various courses by staff and non-staff members. A review of data extracted from the system, for 2020/2021, shows that 29 per cent (17 out of 58) Individual Contractors and 12 per cent (9 out of 76) Agency workers did not complete the UN Security Awareness (BSAFE) course and Together Harmoniously - Part One, respectively.

131. Following an Internal reorganization of WIPO, effective February 2022, the responsibility for internal training was transferred from HRMD to the WIPO Academy. It is expected that the Academy will continue ensuring that all staff members including individuals holding non-staff contracts (e.g., ICS and agency workers) who are working on WIPO premises and who have a WIPO network account, complete the mandatory courses within the stipulated time.

*Information Security Course*

132. The Security and Information Assurance Division monitors and reports on the Information security course. The course is hosted on an external platform. IOD could not readily ascertain the number of Individual Contractors and agency workers who completed or did not complete the course as the system does not have the requisite reporting capabilities that allow for course completion data to be easily disaggregated into different categories of staff and non-staff members e.g., Individual Contractors and agency workers.

133. As of April 2022, SIAD was reviewing the course and indicated that there were ongoing discussions, with relevant stakeholders, on moving the hosting of the course onto the ELM



platform by the end of 2022. This move would help facilitate enhanced reporting capabilities, monitoring of compliance and extraction of customized reports on the course completion.

#### *Ethics and Integrity Course*

134. The WIPO Ethics Office is responsible for managing a self-paced online course on Ethics and Integrity. The course was developed and designed to, among others, support personnel in complying with ethical standards, raising awareness of ethical and integrity issues, and providing guidance on addressing them. The course is hosted on the Moodle platform, an open-source e-learning management system.

135. All staff and agency workers must complete the course within one year of arriving in the Organization. IOD could not ascertain the number of agency workers who completed or did not complete the course within the time outlined. The IT platform and mechanisms in place do not facilitate accurate and reliable data capturing, monitoring, and reporting on course completion.

136. IOD notes that the mechanisms for monitoring compliance in completing the course needs to be enhanced. It would be helpful for the Ethics Office to, among others, revise the time accorded to eligible personnel to complete the course. For example, the regular duration of contracts and subsequent renewals for agency workers ranges from three to six months, while they are allowed one year to complete the course. Effectively, this results in a number of agency workers serving in the Organization for a considerable period without completing the course.

137. Further, IOD notes that Individual Contractors are not required to complete the course, even though the WIPO Code of Ethics extends to all personnel. In addition, eligible non-personnel do not systematically receive a copy of the Code of Ethics upon arriving in the Organization.

138. Going forward, it would be prudent for the Organization to extend the course to non-staff members including Individual Contractors. This would be consistent with the provision on all personnel being subject to the WIPO Code of Ethics and a recommendation in the JIU report<sup>8</sup>. Specifically, the recommendation calls on United Nations system organizations to include ethics training in the induction training of non-staff members, including refresher courses after service intervals, as appropriate.

#### (vi) Quarterly Reviews of Requisitions for Individual Contractor Services

139. According to the Policy on Individual Contractor Services, the Office of the Controller should conduct quarterly reviews of the requisition of ICS through the procedures outlined in the Policy.

140. The Office of the Controller did not carry out any quarterly reviews of requisitions of ICS in 2020 and 2021. The Office explained that the provision in the OI on conducting quarterly reviews, is to some extent, forward-looking. In the future, when upfront controls are streamlined in exchange for data analytics, the control will be effectively carried out. Further, the Office pointed out that compensatory controls consisting of mandatory review and certification of requisitions by Certifying officers (designated by the Controller), and approval by approving officers to ensure compliance with the FRR, contributes to mitigating related risks.

141. While acknowledging the control mechanism that certifying and approving officers represent, the intention of the quarterly review is to, among others, assess effectiveness of

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<sup>8</sup> JIU/REP/2017/9

the ICS acquisition process, including the effectiveness of certifying and approving officers. Going forward, IOD will monitor the implementation of the data analytics, to ensure that the review of ICS requisitions are well within the scope.

### Recommendations

6. The Procurement and Travel Division should, in coordination with relevant internal stakeholders, revise the Policy on Individual Contractor Services and align it with the current practice and provide clarity on the provision of written confirmation of satisfactory performance against the terms of the ICS contract or the completion of an acceptable deliverable.

(Priority: Medium)

7. The Ethics Office should, in coordination with the Human Resources Management Department and other relevant internal stakeholders:
  - (a) Reduce the time accorded to eligible personnel to complete the Ethics and Integrity course;
  - (b) Extend the Ethics and Integrity course to non-staff members (e.g., Individual Contractors) and devise mechanisms to ensure that eligible personnel systematically receive a copy of the Code of Ethics upon arriving in the Organization; and
  - (c) Use the Enterprise Learning Management (ELM) platform to facilitate reporting on course completion, and monitoring compliance.

(Priority: Medium)

8. The Security and Information Assurance Division, in coordination with relevant internal stakeholders design and develop a mechanism that facilitates reporting disaggregated data (including non-staff members e.g., agency workers, Individual Contractors) on course completion, and monitoring compliance.

(Priority: Medium)

## (C) TOOLS AND SYSTEMS

142. The current system for requisitioning, acquiring and managing ICS contracts is a mix of automated and manual processes and procedures, with sub-processes that lack built-in or embedded tools to facilitate efficient and effective processing including generating relevant reports e.g., the levels of compliance on documents submitted, completion of performance evaluation reports.



*Notably, 33 per cent compared to 50 per cent of the survey respondents agreed that the procedures and processes for acquiring ICS and agency workers, respectively, were fit-for-purpose.*

IOD Survey on ICS and Temporary employment agencies.

143. In line with the digital-first approach adopted by the Organization, there are opportunities to design and develop relevant automated processes and procedures that would enhance the efficiency and effectiveness of managing ICS and reduce the manual workflows.



(i) Moving from Paper-based Forms to Automated Digital Workflows

144. The ICS hiring process includes paper-based workflows with standard forms and templates. For example, Performance Evaluation and Declaration of No Conflict of Interest forms are regularly completed and manually signed off. These documents are then scanned and uploaded to the Organization's Enterprise Content Management (ECM) system.

145. IOD notes that the paper-based forms are not uploaded in the ECM system in a consistent and systematic manner. Sometimes, multiple documents are scanned as a single file, whereas in others, the documents are scanned and uploaded as separate files. In addition, there are multiple folders, some of which are redundant or contain duplicated files, within the workspace for ICS in the ECM system. As a result, it is a challenge to efficiently retrieve and sequentially review the relevant documents for an Individual Contractor without checking multiple folders.

146. Therefore, there are opportunities to streamline and digitalize the workflow by embedding these paper-based forms in an automated system and digitally signing them off. Further, automating these forms would facilitate the efficient capture, analysis, and summarizing of relevant data on these forms, e.g., the individual and cumulative scores on multiple performance evaluation forms.

147. The data synthesized from digitized performance evaluations would be useful in deriving and monitoring trends on the performance of Individual Contractors who are regularly hired including making data-driven decisions on rehiring contractors within and across business areas in the Organization.

148. Going forward, the planned move to M365 as WIPO's future enterprise content management and collaboration platform, provides an opportunity for PTD to enhance its digital capabilities, and develop a common standard for electronic filing of ICS documents.

(ii) Measuring the Efficiency of the ICS Work flow

149. The procedures for requisitioning and acquiring ICS vary depending on the thresholds. The number of steps and documents to complete will vary depending on, among others, the selection procedures, the quality of the ICS file submitted to PTD, the time taken by PTD to process the PO, and other considerations. Based on relatively minimal steps to complete, the direct acquisitions of ICS take significantly less time to complete compared to RfO, A-R-E, and IA.

150. The standard operating procedures in PTD require business areas to submit their requisitions at least two weeks in advance to allow for processing and onboarding of the ICS. PTD will then assess the quality of the ICS file, ensuring that the requisite documents are complete. PTD will process the files that meet the quality criteria or are deemed actionable. However, ICS files that do not meet the criteria will need to be re-submitted after PTD engages the responsible business areas. This situation can lead to back-and-forth and can result in efficiency losses or a perception that one party is delaying the ICS process. In addition, PTD is expected to process the PO and complete the ensuing formalities efficiently for the business to hire the ICS in good time or according to their schedule.

151. Indicatively, an analysis of sentiments expressed by survey participants was that there are still opportunities to enhance the efficiency of the ICS workflows. One of the recurring themes distilled from the IOD Survey on ICS and Temporary employment agencies responses was that the current ICS hiring process takes a long time to complete and is often characterized by bureaucratic procedures.



*“ICS process: It could be faster and less sensitive”.*

*“The ICS process is cumbersome and the supporting colleagues are overworked so it takes a long time to issue the contracts.”*

*“It takes so much time to hire an ICS.”*

152. IOD acknowledges the challenges of measuring the efficiency of the whole ICS hiring process. First, the time-related data on various steps in the hiring process are captured in different systems that are not interfaced (AIMS, HRMD Recruitment system and Offline/Manual procedures) or not captured, e.g., the time to complete manual/offline tasks. Further, the current procedures make it difficult to readily identify systemic problems and bottlenecks in the hiring process, e.g., causes of delays, and/or to establish accountability for those delays and other inefficiencies

153. Going forward, PTD needs to reinforce its turnaround time, and regularly remind business areas of the importance of submitting a complete ICS file for processing. Equally, based on an analysis of purchase requisitions which are actionable and complaint, PTD should design and develop an internal Service Level Agreement (SLA) that indicates, among others, the time it would take to issue the ICS contract. An SLA will help set the minimal and optimal service levels, clarify expectations amongst business areas, and help measure and improve on efficiency. In setting up the performance metrics in the SLA, PTD should take into consideration, among others, the expectations and views of internal stakeholders, current tools and systems, the different ICS selection procedures, and related complexities.

(iii) Enhancing the Tracking of Contract Durations

154. IOD notes that there are no proactive and automated mechanisms in place to proactively and efficiently monitor and track that, at any point in time, the provision of services by an Individual Contractor, the duration of an ICS contract, or a series of ICS contracts by the same Individual Contractor, do not to exceed the full-time equivalent of a total of 24 months over a 36 month period.

155. In practice, PTD has to review and manually track the cumulative duration of ICS contracts by the same Individual contractor, some of whom move from one business area to another. Further, the Division has to review the contract history of the Individual Contractor, cumulative duration of contracts, and activity rates and liaise with respective Programs.

156. In the coming years, it's envisaged that there will be an increase in the number of non-staff contracts including Individual Contractors. Therefore, the current manual reviews performed by PTD to ensure compliance on contract durations may not be adequate, effective and efficient in proactively addressing the risks.

157. IOD notes that there are opportunities to strengthen these controls through designing and developing automated controls that are proactive and detective. Optimizing the use of automated controls will help in enhancing compliance, reducing or eliminating manual workflows, creating an audit trail, including enhancing the ICS hiring process.

### Recommendations

9. The Procurement and Travel Division should, in coordination with relevant internal stakeholders, review the hiring process for Individual Contractor Services and automate standard templates/paper-based forms and manual workflows, where relevant and practical.

(Priority: Medium)

10. The Procurement and Travel Division should, in coordination with relevant internal stakeholders, design and develop an internal Service Level Agreement that, among others, measures the efficiency of processing actionable/complaint files and the issuing of ICS contracts.

(Priority: Medium)

#### (D) INDIVIDUAL CONTRACTOR SERVICES DEMOGRAPHICS

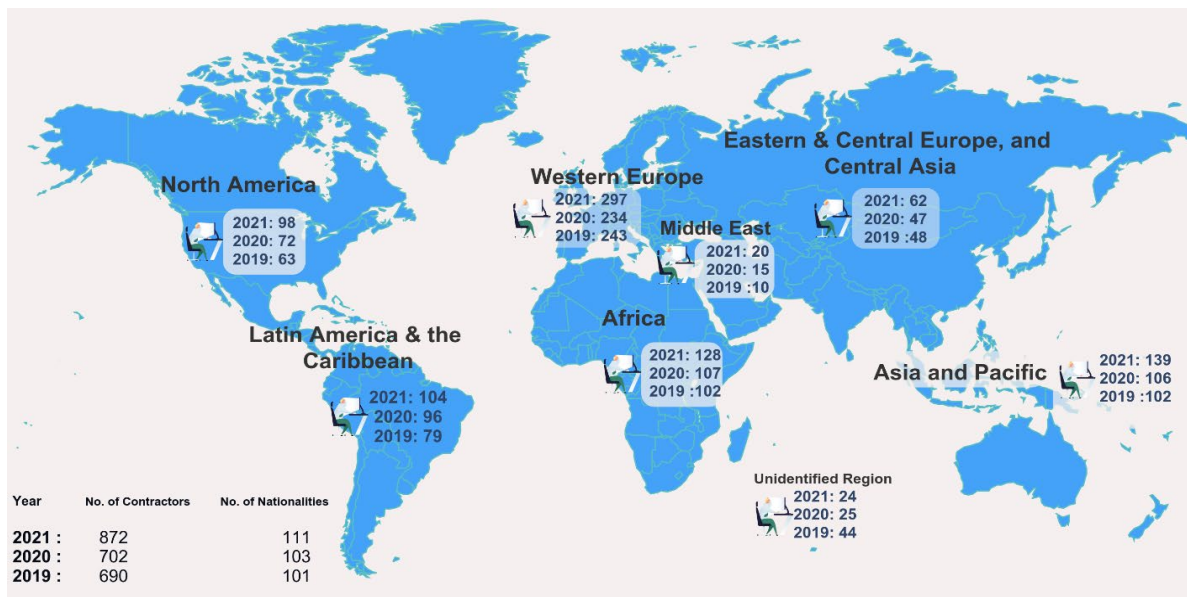
158. For the purposes of this audit and to facilitate, as far as possible, comparative analysis, the quantitative data on ICS was grouped into seven regions, namely, (i) Western Europe, (ii) Asia and Pacific (iii) Eastern and Central Europe, and Central Asia (iv) Africa (v) North America (vi) Latin America and the Caribbean and (vii) Middle East.

159. The country data grouping is aligned to the one that the Organization uses to analyze the geographical representation/composition of staff members at professional and higher categories on regular budget. Annex III, provides the list of countries that make up each region. Further, IOD notes that some data on the nationalities of Contractor was missing and/or incomplete. These were highlighted as part of the “Unidentified/unspecified region”.

##### (i) Geographical Distribution of Individual Contractors

160. From 2019 to 2021, each one of the seven regions experienced a gradual and steady increase in the number of Individual Contractors that served in the Organization. Specifically, the number of Individual Contractors who rendered their services to the Organization rose steadily from 690 (2019), 702 (2020) and then 872 (2021). These Contractors were drawn from 101(2019), 103 (2020) and 111 (2021) countries. The figure below shows the evolution in the number of Individual Contractors who were hired in each region.

**Figure 9: Number of Individual Contractors per Geographical Region in 2019/20/21**



Source: Prepared by IOD, based on data extracted from AIMS

161. As can be seen in the figure above, there is a geographical imbalance in the hiring of Individual Contractors. Notably, the Organization predominantly hires Individual Contractors from Western Europe. For example, in 2021, the region supplied twice as many Contractors (297) as those supplied by the second ranked region of Asia and Pacific (139). A similar pattern was noted in 2020 and 2019.

162. Overall, the Western Europe supplied 34.1 per cent (2021), 35.2 per cent (2020), and 33.3 per cent (2019) of the Individual Contractors who served in the Organization. Further, within the region, the distribution of the nationalities of the Contractors is skewed towards two countries, France and the United Kingdom. Collectively, the nationals of these two countries accounted for 48.8 per cent (2021), 48.3 per cent (2020) and 46.1 per cent (2019) per cent of the number of Individual Contractors that were hired from the region.

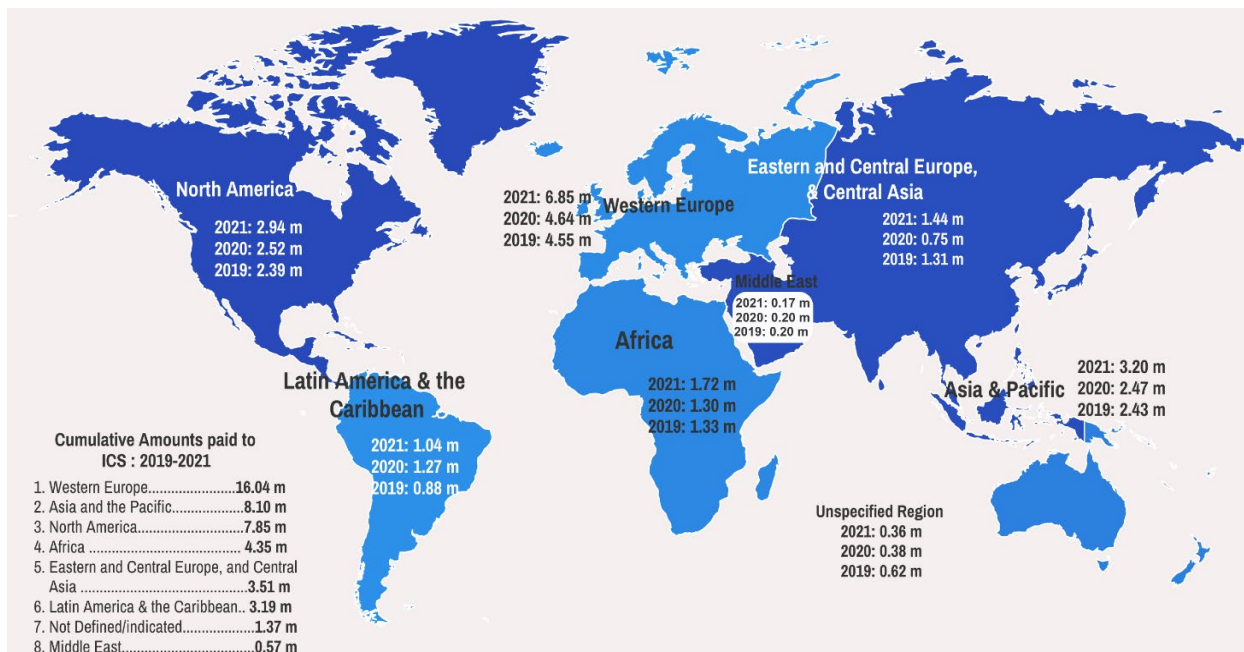
163. Further, the African region (2021:139, and 2020: 106) and Asia and Pacific (2021:128, and 2020: 107) ranked second and third respectively in terms of the number of Individual Contractors hired from those regions.

(ii) Geographical Distribution of Payments for Individual Contractor Services

164. During the period 2019- 2021, the Organization's expenditure on Individual Contractors was 45.1 million Swiss francs, based on the Purchase Orders that were processed. Out of this amount, 71 per cent was paid out to three regions, broken down as follows, Western Europe accounted for 16.1 million (36 per cent), Asia and Pacific, 8.1 million Swiss francs (18 per cent) and North America, 7.9 million Swiss francs (17 per cent). The remaining 13 million Swiss francs (29 per cent) was spread out as follows, Africa 4.4 million Swiss francs (10 per cent), Eastern and Central Europe and Central Asia, 3.5 million Swiss francs (8 per cent), Latin America and the Caribbean, 3.2 million Swiss francs (7 per cent), Middle East, 0.6 million Swiss francs (1 per cent) and 1.4 could not be allocated to any region (unspecified region) due to incomplete data on the nationalities of the Individual Contractors.

165. Figure 10 below shows the breakdown of the total fees paid to Individual Contractor in each region, from 2019 to 2021.

**Figure 10: Total Fees paid to Individual Contractors per Geographical Region in 2019/20/21 (in Swiss francs)**



Source: Prepared by IOD, based on data extracted from AIMS

166. Overall, the distribution of the fees paid to Individual Contractors is skewed towards the nationals of four countries, the United States of America, the United Kingdom, France and Switzerland. Collectively and consistently, the nationals of these four countries account for 39 per cent (2021), 42 per cent (2020), and 36 per cent (2019) of the total fees that the Organization paid to Individual Contractors.

167. Further, the geographical distribution of fees within each regional group is itself uneven. For example, within Western Europe, the nationalities of three countries, namely, France, United Kingdom of Great Britain, and Switzerland, collectively accounted for over 65 per cent of the fees paid i.e., 65.3 per cent (2021), 73.3 per cent (2020) and 67.3 per cent (2019). A similar pattern was observed in the Latin America and Caribbean region where the nationalities of three countries, Brazil, Colombia and Argentina, account for 50 per cent or more of the fees paid to Individual Contractors i.e., 50 per cent (2021) and 56.9 per cent (2020).

168. In the Asia and Pacific region, the nationalities of three countries, China, Japan and Republic of Korea consistently accounted for over 50 per cent of the fees i.e., 51 per cent (2021), 55.1 per cent (2020) and 64.5 per cent (2019). For the North America region, the United States of America accounted for 82.8 per cent (2021) and 88.8 per cent (2020) of the fees while Canada accounted for 17.2 per cent (2021) and 11.2 per cent (2020).

(iv) Gender Balance and Age Distribution of Individual Contractors

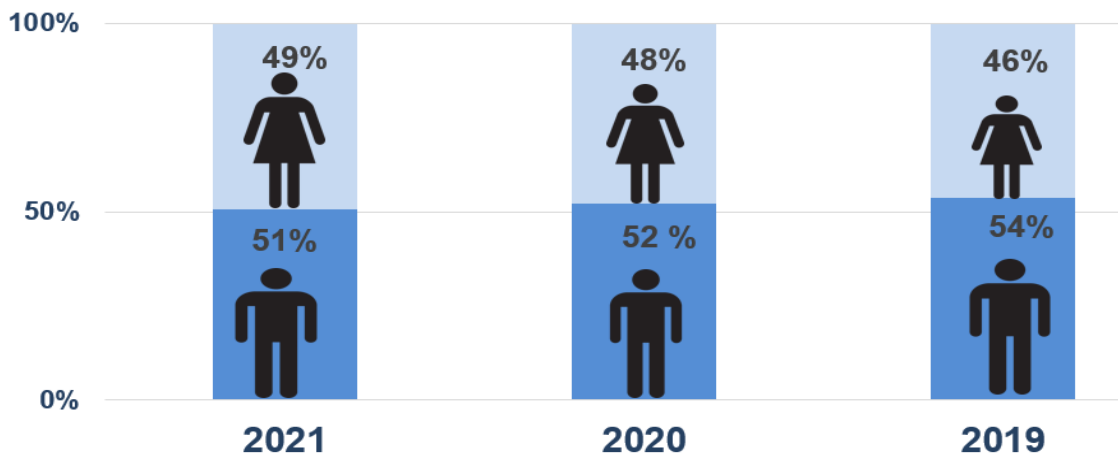
169. According to Policy on Individual Contractor Services, the general principles that guide and serve as fundamental considerations in the use of ICS include, but are not limited to, Best value for money; Effective and broad competition for the award of ICS contracts; Fairness, integrity and transparency in the acquisition of ICS.



*Gender Balance of Individual Contractors*

170. While acknowledging that gender balance is not one of the underpinning and explicit principles that guides the selection of Individual Contractors, there has been a steady progress towards gender balance in the contractors hired by the Organization. Particularly, the proportion of women engaged as Individual Contractors has been steadily rising from 46 per cent) in 2019 to 49 per cent in 2021.

**Figure 11: Gender Balance of Individual Contractors**



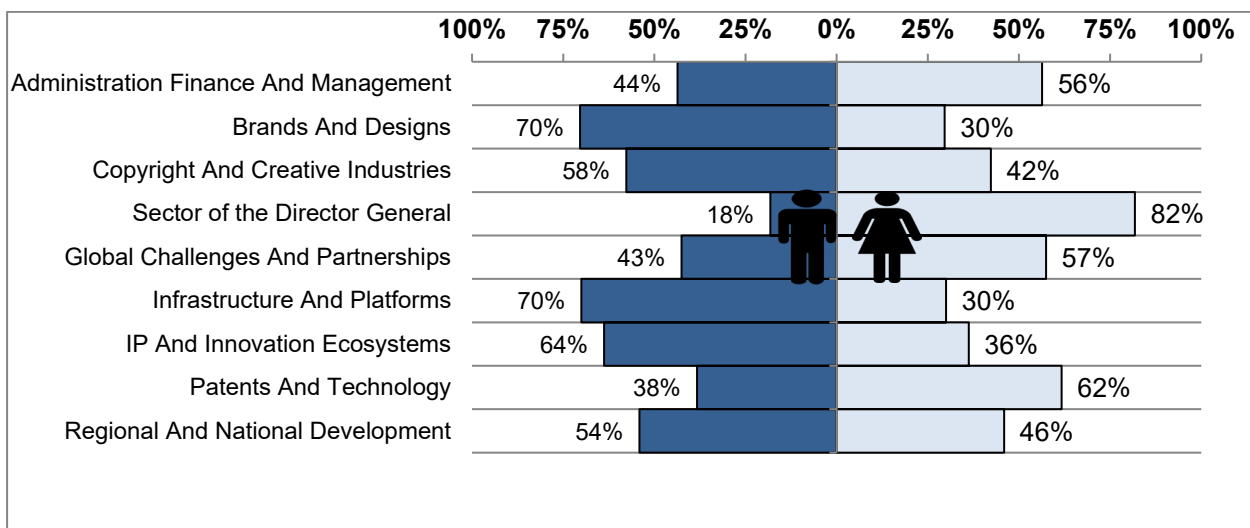
Source: Prepared by IOD, based on data extracted from AIMS

171. As can be in figure 11 above, the proportion of women and men who were engaged as Individual Contractors was almost evenly distributed in 2021. Notably, from 2019 to 2021, there has been a progressive increase in the proportion of women contractors hired i.e., 46 per cent (2019), 48 per cent (2020) then 49 per cent (2021).

172. At an Organizational level, the gender distribution of Individual Contractors was almost relatively balanced, particularly in 2021 (men: 51 per cent, women: 49 per cent). However, there were some marked gender disparities at Sector level as shown in figure 12 below.

*Gender Composition of Individual Contractors per Sector*

**Figure 12: Gender Composition of Individual Contractors per Sector in 2021**



Source: Prepared by IOD, based on data extracted from AIMS

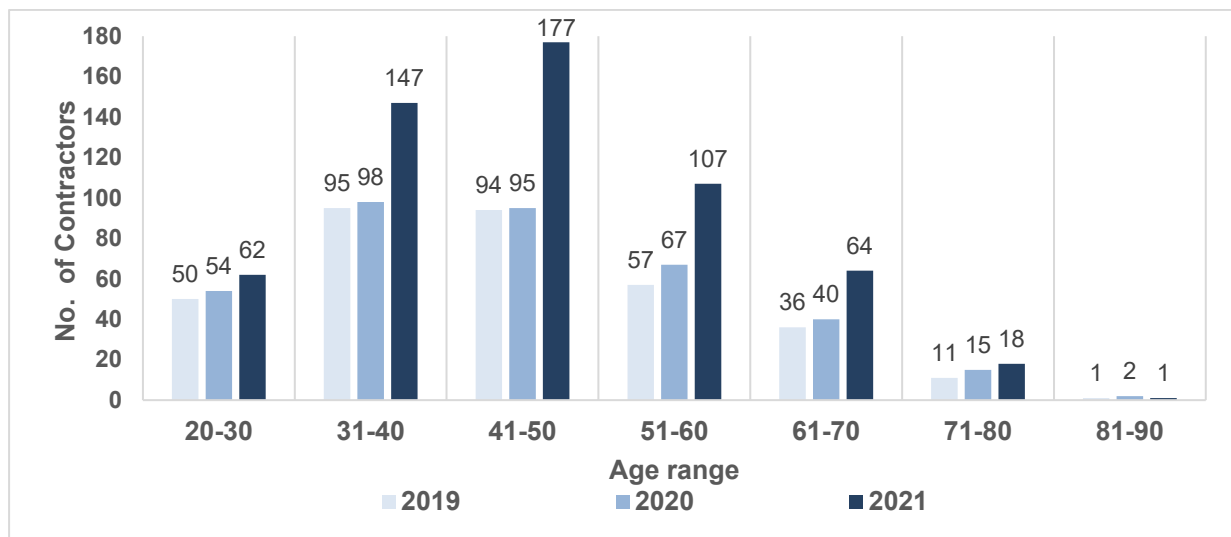
173. As can be seen in the figure above, in four sectors, the proportion on women who served on ICS contracts was higher than that of men. Specifically, in the Sector of the Director General (82 per cent), Patents and Technology Sector (62 per cent), Global Challenges and Partnerships (57 per cent) and Administration, Finance and Management Sector (56 per cent).

174. In contrast, five sectors had a higher proportion of men serving on ICS contracts i.e., Brands and Designs (70 per cent), Infrastructure and Platforms (70 per cent), IP and Innovation Ecosystems (64 per cent), Copyright and Creative Industries (58 per cent), and Regional and National Development (54 per cent).

*Age Distribution of Individual Contractors*

175. The Organization’s population of Individual Contractors has been progressively getting older from 2019 to 2021. In 2019, most of the Individual contractors who were hired or retained were within the 31- 40 age bracket (95) which was similar to those in the 41-50 bracket (94). A similar pattern was observed in 2020. Notably, in 2021, there was a relative increase in the number of contractors hired and retained within each age bracket compared to 2019. There was a notable increase in the number of contractors who fall within the 31-40 (from 98 to 147), 41- 50 age brackets (from 95 to 177), and 51- 60 (from 67 to 107).

**Figure 13: Age Distribution of Individual Contractors**



Source: Prepared by IOD, based on data extracted from AIMS

176. As can be seen in the figure above, in each of the three years, the Organization has hired or retained at least 36 contractors that fall within the 61- 70 age bracket, at least 11 contractors that fall within the 71 - 80 age bracket and at least one contractor who is over 81 years old. The trend observed in the graph suggests, among others, that the Organization has been hiring experts within the relatively higher age group and possibly retaining the same contractors over the years.

177. IOD also observed that some ICS data was missing in each of the years reviewed and thus excluded in generating the age distribution in figure 11 above. Therefore, PTD should ensure that they capture the requisite data for each ICS and continually conduct a data clean up.

(E) SURVEY

178. In February/March 2022, IOD administered a survey to Sector Leads, Directors, Heads of business areas and staff members who are involved in, among others, planning, requisitioning, contracting and utilizing the services of ICS and Temporary employment agencies. The objectives of the survey were to, *inter alia*, capture insights and experiences of these stakeholders in contracting and working with ICS and Temporary employment agencies, and identify how the current regulatory and administrative framework, and practices can be enhanced to further support the Organization in effectively and efficiently using the services of ICS and Temporary employment agencies.

179. IOD invited 157 staff members, drawn from all the nine Sectors<sup>9</sup>, to take part in the survey. Out of those invited, 52 participated in the survey, representing a response rate of 33 per cent. Normally, a 30 per cent participation rate in surveys at WIPO is considered acceptable. The detailed results of the survey can be found under Annex II of this report, with extracts from the survey used in relevant parts of the report. The figure below provides a summary of the relevant survey statistics.

**Figure 14: Survey Participation and Response Rate**



Source: IOD Survey on Individual Contractors Services and Temporary Employment Agencies

180. The survey participants made a number of relevant observations and highlighted a number of areas for improvements and others where the Organization has made steady progress. These areas are briefly highlighted in the relevant parts of the report and below.

- (a) 53 per cent of the respondents were of the view that the design and modalities of the current ICS contracts effectively supported their needs. In contrast, 33 per cent were not in agreement;
- (b) 50 per cent compared to 33 per cent of the survey respondents agreed that the procedures and processes for acquiring agency workers and ICS, respectively, were fit-for-purpose;
- (c) In the last two to three years, the reasons business areas engaged ICS were, Expertise or skills could not be found in-house (79 per cent), the tasks were based on clearly quantifiable and tangible services (44 per cent), the level of in-house resources was insufficient (42 per cent), to reinforce an existing team (42 per cent) and to manage a project (40) per cent);
- (d) Most of the respondents, 67 per cent and 65 per cent, were of the view that based on the current resource management practices, their work plan activities can only be successfully completed by contracting ICS and agency workers, respectively; and

<sup>9</sup> Sector of the Director General, Administration, Finance and Management Sector, Patents and Technology Sector, Brands and Designs Sector, Regional and National Development Sector, Copyright and Creative Industries Sector, Global Challenges and Partnerships Sector, Infrastructure and Platforms Sector, IP and Innovation Ecosystems Sector.



(e) About half of the respondents indicated that tasks assigned to agency workers (46 per cent) and ICS (52 per cent) working in their area were fully aligned with relevant WIPO rules, regulations, and instructions on their use.

181. Overall, the survey respondents were satisfied with the work of ICS and agency workers in their business areas. Specifically, 62 per cent (ICS) and 60 per cent (agency workers) of the respondents expressed a satisfaction level of 85 - 100 per cent.

#### *ACKNOWLEDGMENT*

*IOD wishes to thank all relevant members of staff for their assistance, cooperation and interest during this assignment.*

Prepared by: Bevan M. Chishimba, Internal Audit Officer, IOD

Reviewed by: Alain Garba, Head, Internal Audit, IOD.

Approved by: Rajesh Singh, Director, IOD.

**TABLE OF RECOMMENDATIONS**

No	Recommendations	Priority	Person(s) Responsible	Other Stakeholder	Management Action Plan	Deadline
1.	The Procurement and Travel Division should coordinate with the Human Resources Management Department to review and update the Guideline on Contractor Remuneration Scale.	Medium	Director, Procurement and Travel Division	Director, HRMD	Recommendation accepted.  Closing criteria – Publication on the WIPO intranet of the updated Guideline on Contractor Remuneration Scale.	December 30, 2022
2.	The Procurement and Travel Division and the Human Resources Management Department should develop an overarching policy framework on Agency workers that will consolidate and be complemented by the existing and updated guidelines.	High	Director, Procurement and Travel Division	Director, HRMD	Recommendation accepted.  Closing criteria – publication on the WIPO intranet of an updated policy framework on Agency Workers	March 31, 2023

No	Recommendations	Priority	Person(s) Responsible	Other Stakeholder	Management Action Plan	Deadline
3.	The Procurement and Travel Division should identify and engage business areas that anticipate an increase in using non-staff resources, particularly ICS contracts and agency workers, to determine the alignment of its procurement strategies and resources with the Human Resources Strategy (2022-2026).	Medium	Director, Procurement and Travel Division		<p>Recommendation accepted.</p> <p>PTD would use the preparation of either the 2023 Work Plan or the 2024-25 Program and Budget to implement this exercise with business areas.</p> <p>Closing criteria – confirmation from PTD of completion of the process of engagement, wherein PTD shall make such recommendations as it considers necessary to its procurement strategies and resources to address the anticipated increase in non-staff resources.</p>	September 29, 2023
4.	The Procurement and Travel Division should, in coordination with the Security and Information Assurance Division, Information and Communication Technology Department and other relevant internal stakeholders, revise and align the General Conditions of Contract for the Provision of ICS with the current information security policies and practice on IT equipment allocation.	High	Senior Legal Officer	Director, Procurement and Travel Division	<p>Recommendation accepted.</p> <p>Closing criteria – confirmation from PTD of such changes made to the General Conditions of Contract for the Provision of ICS as are found to be necessary, following coordination with internal stakeholders.</p>	October 31, 2022

No	Recommendations	Priority	Person(s) Responsible	Other Stakeholder	Management Action Plan	Deadline
5.	The Procurement and Travel Division should, in coordination with Human Resources Management Department incorporate the vetting process for hiring former staff on Individual Contractor Services contracts, within its standard operating procedure. HRMD should outline the checks that they will perform before giving final clearance.	High	Director, Procurement and Travel Division	Director, HRMD	<p>Recommendation accepted.</p> <p>Closing criteria for PTD – confirmation by PTD of inclusion of the vetting process for hiring former staff on ICS contracts.</p> <p>Closing criteria for HRMD – HR provides the list of criteria to be confirmed as part of vetting and the respective units to be contacted by PTD as part of vetting process (HR Business Partners / HR Operations / Office of the Legal Counsel)</p>	December 30, 2022
6.	The Procurement and Travel Division should, in coordination with relevant internal stakeholders revise the Policy on Individual Contractor Services and align it with the current practice and provide clarity on the provision of written confirmation of satisfactory performance against the terms of the ICS contract or the completion of an acceptable deliverable.	Medium	Director, Procurement and Travel Division	Senior Legal Officer	<p>Recommendation accepted.</p> <p>Closing criteria – publication of further revision of OI (or publication of new OI) incorporating recommended change.</p>	June 30, 2023

No	Recommendations	Priority	Person(s) Responsible	Other Stakeholder	Management Action Plan	Deadline
7.	<p>The Ethics Office should, in coordination with the Human Resources Management Department and other relevant internal stakeholders:</p> <p>(a) Reduce the time accorded to eligible personnel to complete the Ethics and Integrity course;</p> <p>(b) Extend the Ethics and Integrity course to non-staff members (e.g., Individual Contractors) and devise mechanisms to ensure that eligible personnel systematically receive a copy of the Code of Ethics upon arriving in the Organization; and</p> <p>(c) Use the Enterprise Learning Management (ELM) platform to facilitate reporting on course completion, and monitoring compliance.</p>	Medium	Chief Ethics Officer	HRMD, PTD, WIPO Academy, Office of the Legal Counsel	<p>a) The Ethics Office has already made plans to address this issue once the new Ethics and Integrity training launches with new timelines for completion tailored to contract types/duration. This will require support by managers across the organization (for carving out time for personnel – particular those on short-term contracts – to complete this training in time).</p> <p>b) The Ethics Office has started to engage with relevant stakeholders on this issue and will continue to do so to implement this recommendation and monitor and report on compliance.</p> <p>c) The Ethics Office has planned for the new Ethics and Integrity training to be accessible via the ELM to ensure proper compliance monitoring and facilitate reporting. This work is ongoing and will require reliance by the Ethics Office on other stakeholders for implementation.</p>	<p>December 30, 2022</p> <p>Launch of the new Ethics and Integrity training and implementation of part (a) of the recommendation.</p> <p>March 31, 2023</p> <p>For input and joint implementation with other stakeholders of part (b) and (c) of the recommendation.</p>

No	Recommendations	Priority	Person(s) Responsible	Other Stakeholder	Management Action Plan	Deadline
8.	The Security and Information Assurance Division, in coordination with relevant internal stakeholders design and develop a mechanism that facilitates reporting disaggregated data (including non-staff members e.g., agency workers, Individual Contractors) on course completion, and monitoring compliance.	Medium	Chief Security Officer	PTD, WIPO Academy	SIAD will implement plans to centralize relevant mandatory security trainings into ELM, accessible by non-staff with a WIPO email address. Working with internal stakeholders, periodic reporting and monitoring of course completion for non-staff will be implemented and non-compliances followed up.  Closure Criteria: Centralization of mandatory security courses in ELM. Two quarterly reports of course completion.	March 31, 2023
9.	The Procurement and Travel Division should, in coordination with relevant internal stakeholders, review the hiring process for Individual Contractor Services and automate standard templates/paper-based forms and manual workflows, where relevant and practical.	Medium	Director, Procurement and Travel Division		Recommendation accepted.  Closing criteria – PTD will confirm whether it has been relevant and practical to automate standard templates/ paper based forms and manual workflows.	March 31, 2023
10.	The Procurement and Travel Division should, in coordination with relevant internal stakeholders, design and develop an internal Service Level Agreement that, among others, measures the efficiency of processing actionable/complaint files and the issuing of ICS contracts.	Medium	Director, Procurement and Travel Division		Recommendation accepted.  Closing criteria – PTD will publish on its intranet page an SLA measuring the efficiency of processing actionable/compliant files and the issuing of ICS contracts.	December 30, 2022



**ANNEXES**

<a href="#"><u>Annex I.</u></a>	Risk Rating and Priority of Recommendations
<a href="#"><u>Annex II.</u></a>	IOD Survey on Individual Contractor Services and Temporary Employment Agencies
<a href="#"><u>Annex III</u></a>	List of Countries, grouped by Region

## ANNEX I: RISK RATING AND PRIORITY OF RECOMMENDATIONS

The risk ratings in the tables below are driven by the combination of likelihood of occurrence of events and the financial impact or harm to the Organization’s reputation, which may result if the risks materialize. The ratings for recommendations are based on the control environment assessed during the engagement.

**Table I.1: Effectiveness of Risks/ Controls and Residual Risk Rating**

		Compound Risk Rating (Likelihood x Impact)		
		Low	Medium	High
Control Effectiveness	Low	Low	Medium	High
	Medium	Low	Medium	High
	High	Low	Low	Medium

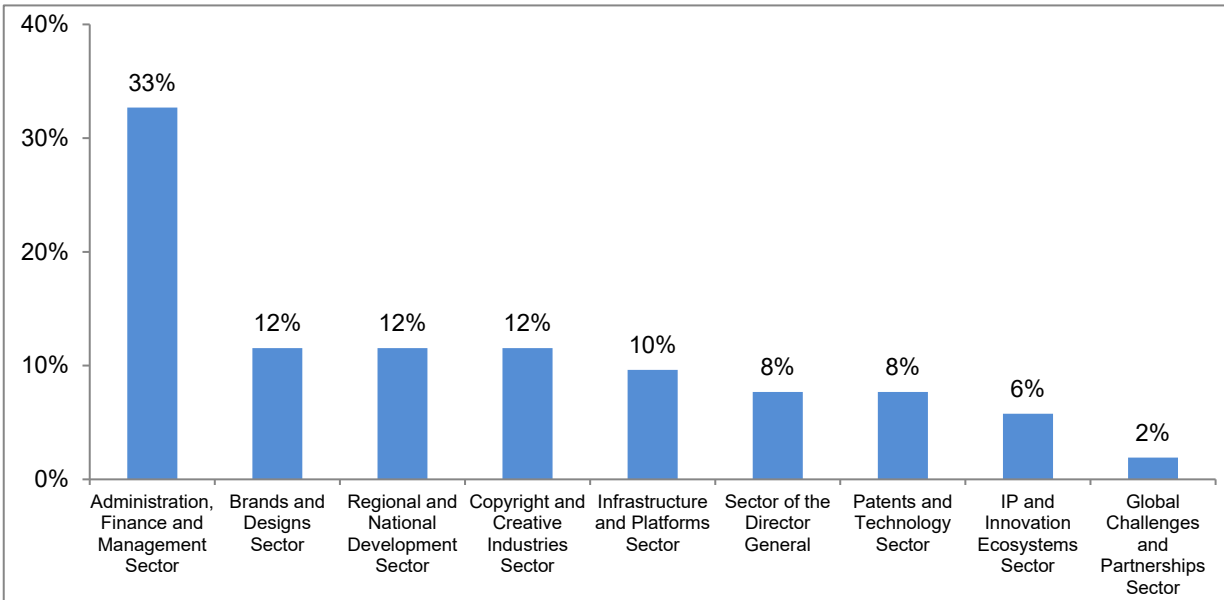
**Table I.2: Priority of Recommendations**

Priority of Recommendations	Residual Risk Rating
Requires Urgent Management Attention	High
Requires Management Attention	Medium
Routine in Nature	Low

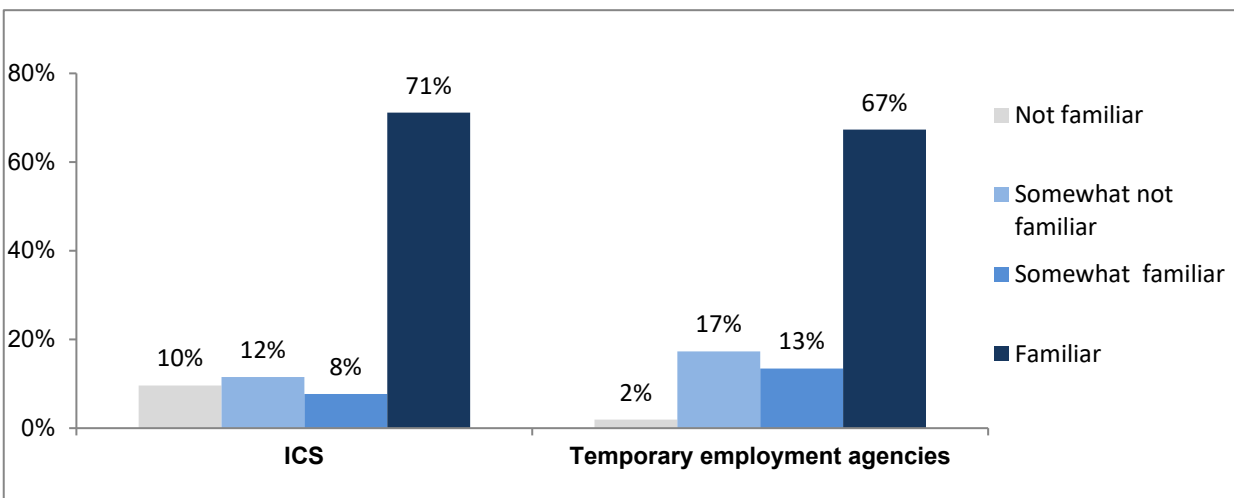
[Annex II follows]

**ANNEX II: IOD SURVEY ON INDIVIDUAL CONTRACTOR SERVICES AND TEMPORARY EMPLOYMENT AGENCIES**

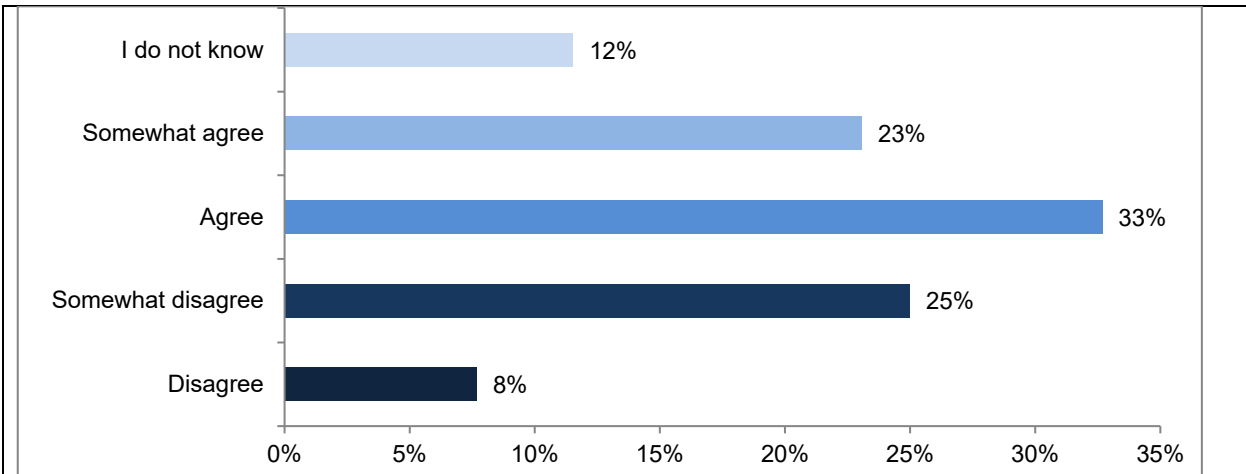
1. Please select the Sector you work in:



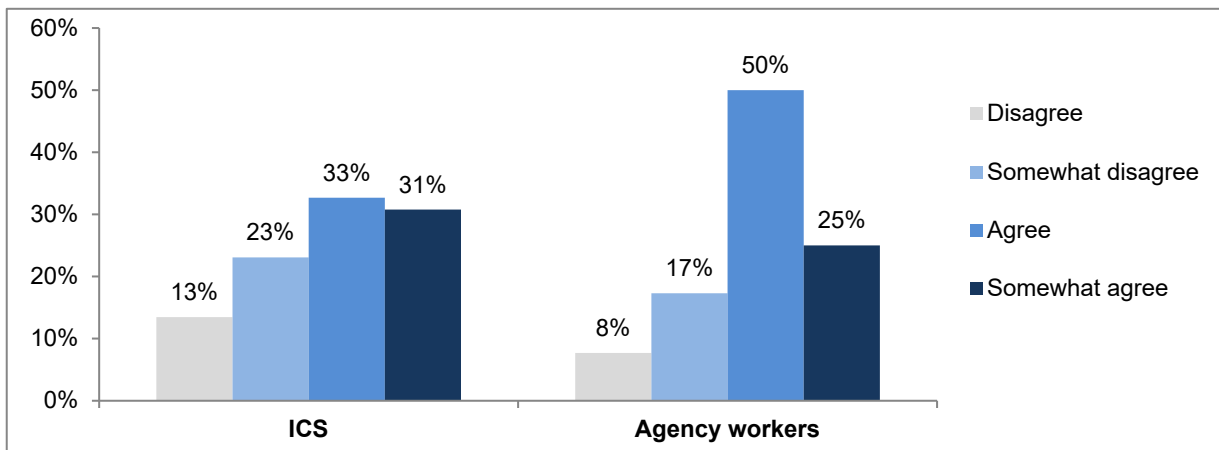
2. How familiar are you with the regulatory and administrative framework for acquiring and managing ICS and Temporary employment agencies in WIPO?



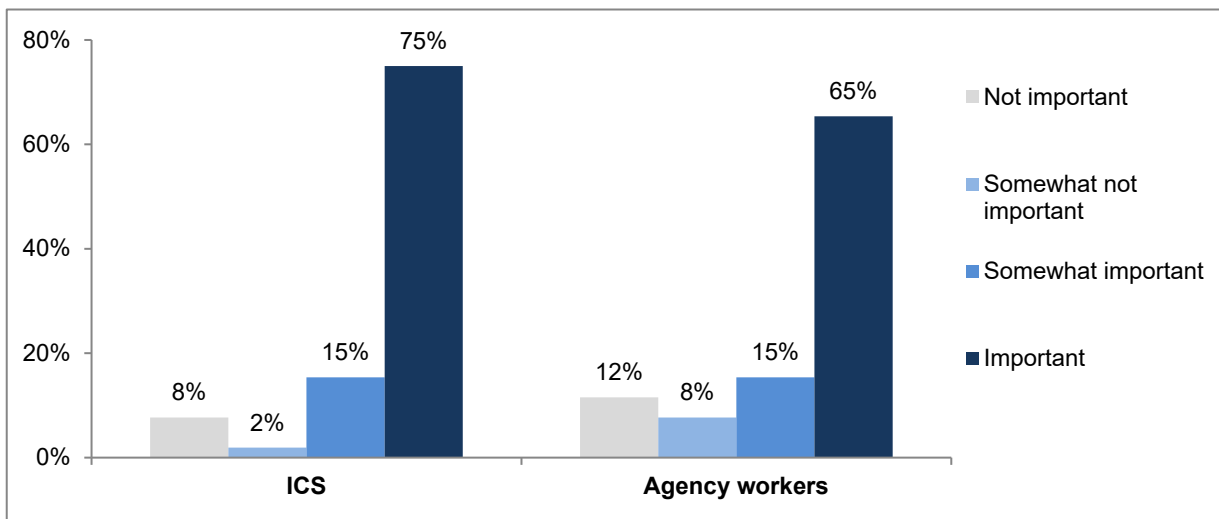
3. In my view, the design and modalities of the current ICS contracts effectively support our needs.



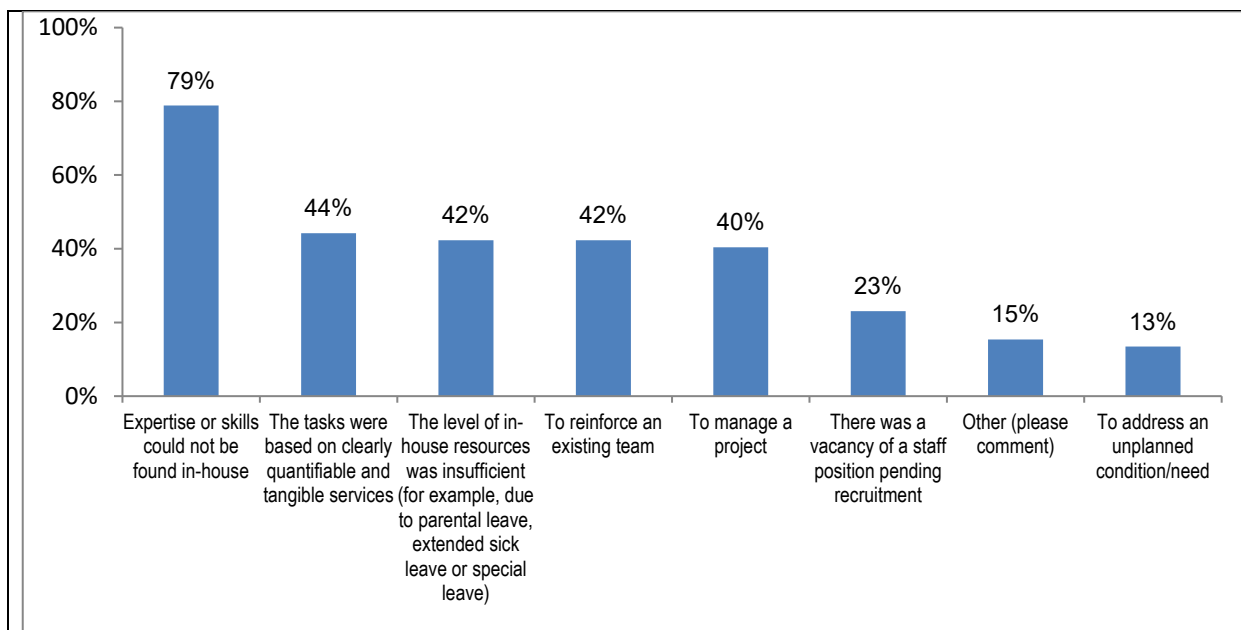
4. In my view, the procedures and processes for acquiring ICS and agency workers in WIPO are fit-for-purpose.



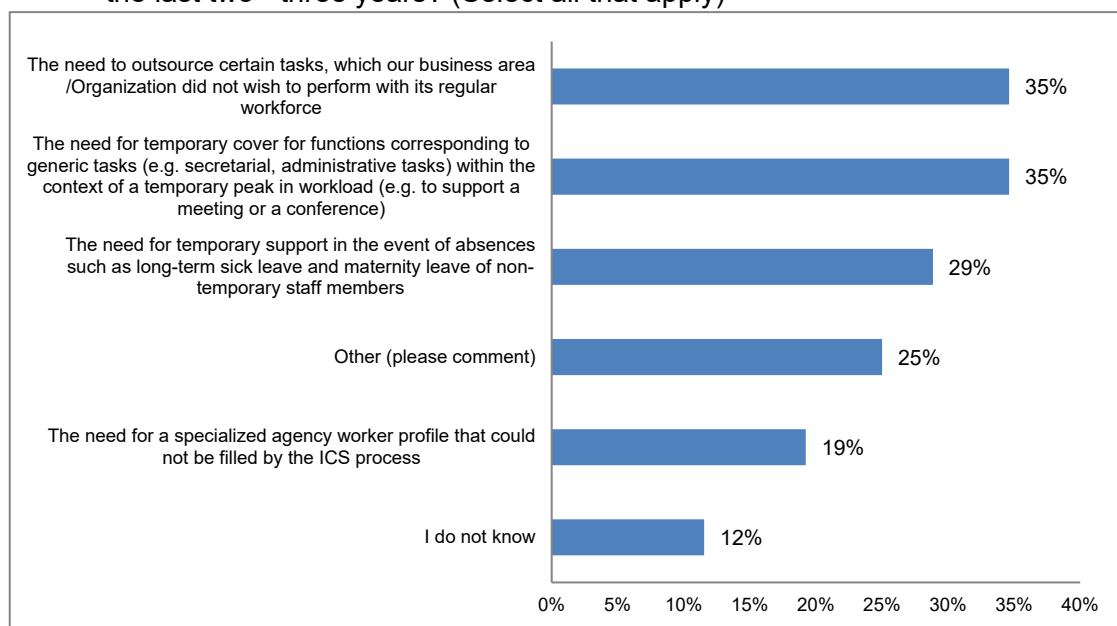
5. How important are ICS and agency workers in executing the activities in your annual work plan?



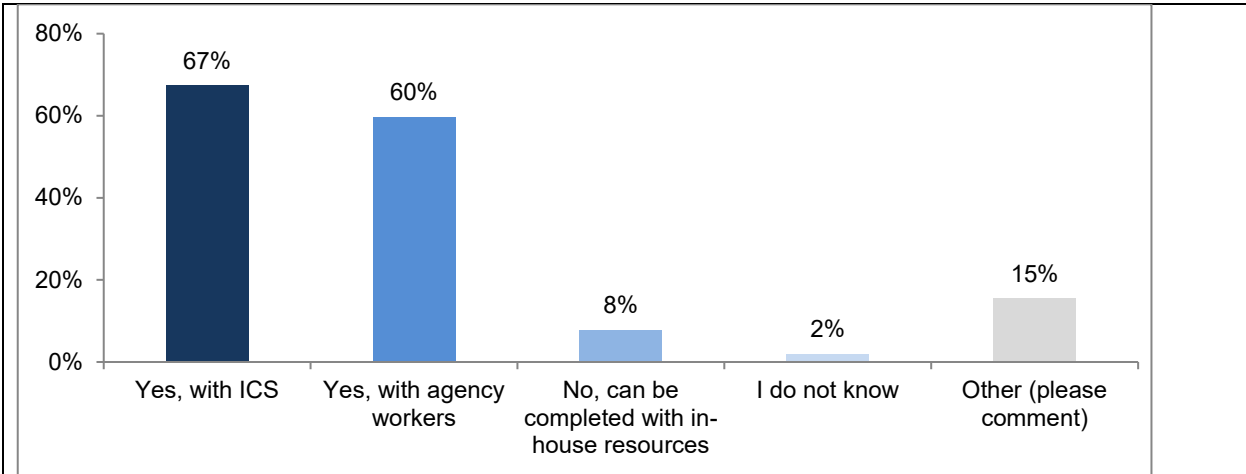
6. What have been the reason(s) for contracting ICS in your business area in the last two - three years? (Select all that apply)



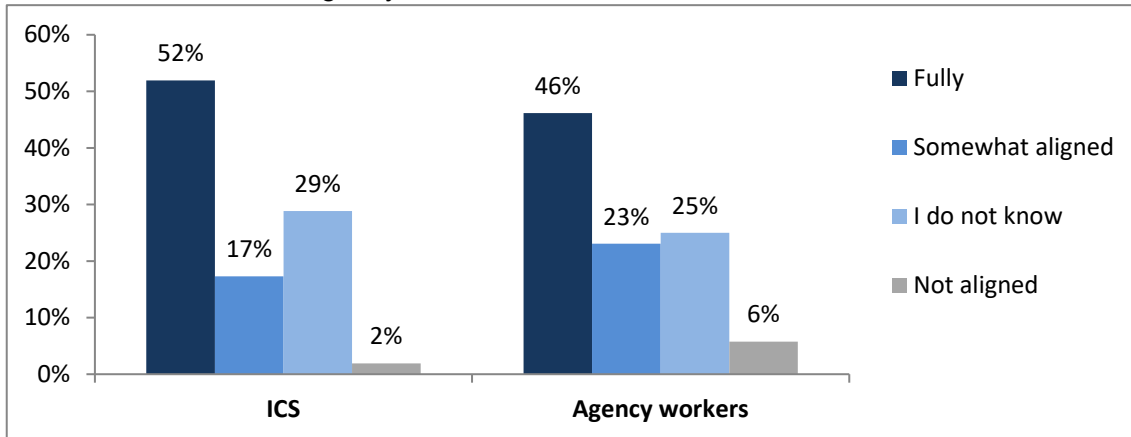
7. What have been the reason(s) for contracting agency workers in your business area in the last two - three years? (Select all that apply)



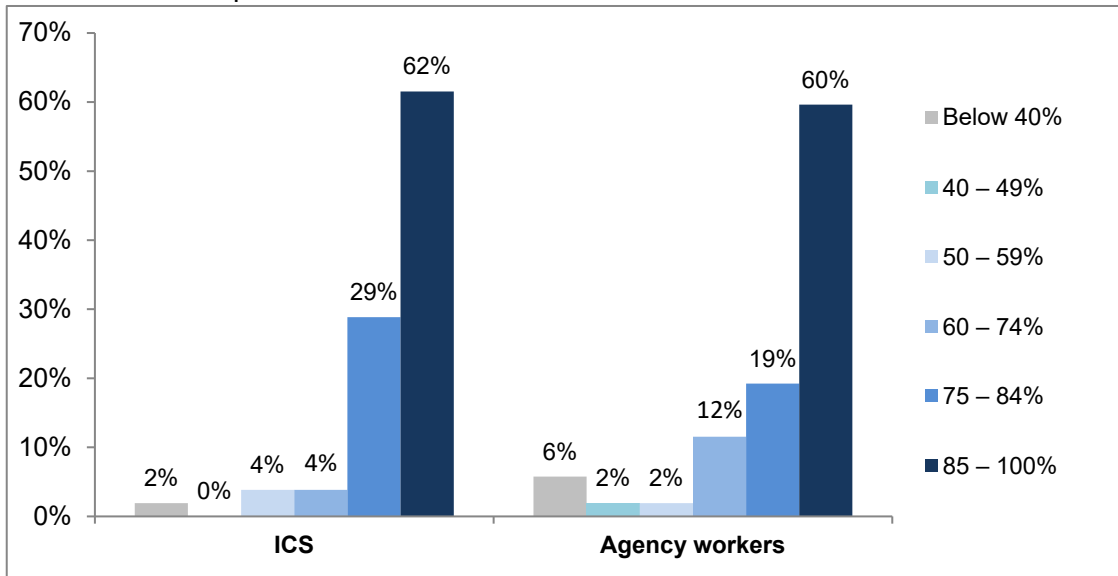
8. In my view and based on the current resource management practices, my work plan activities can only be successfully completed by contracting ICS and/or agency workers.(Select all that apply)



9. In my view, tasks assigned to agency workers and ICS working in my area are fully aligned with applicable and relevant WIPO rules, regulations and instructions on the use of ICS and agency workers.

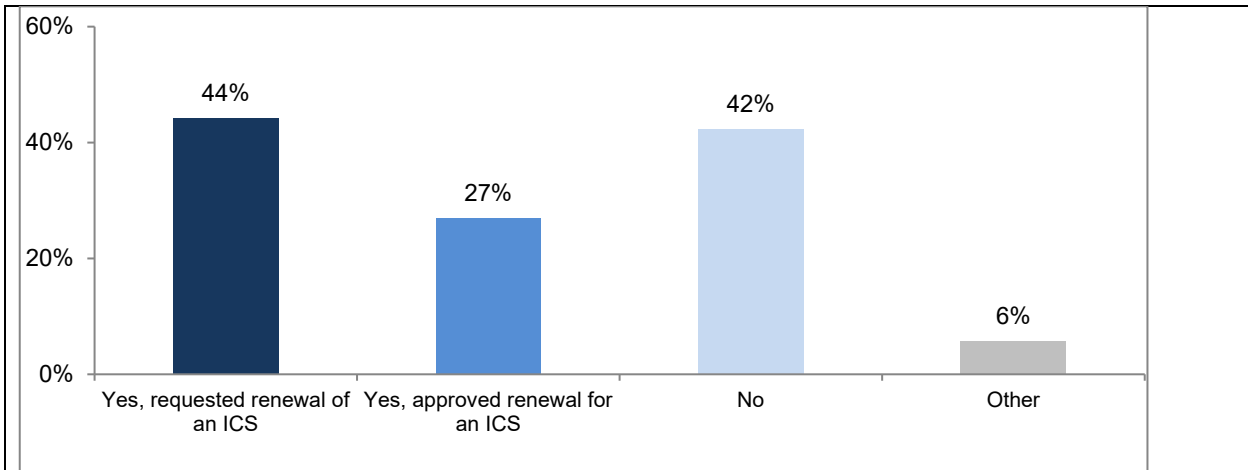


10. Overall, on a scale of 0 (Not satisfied) to 100 per cent (Very satisfied), how would you rate the level of satisfaction with the work of ICS and agency workers in your Sector/Department/Section/Division/Unit?

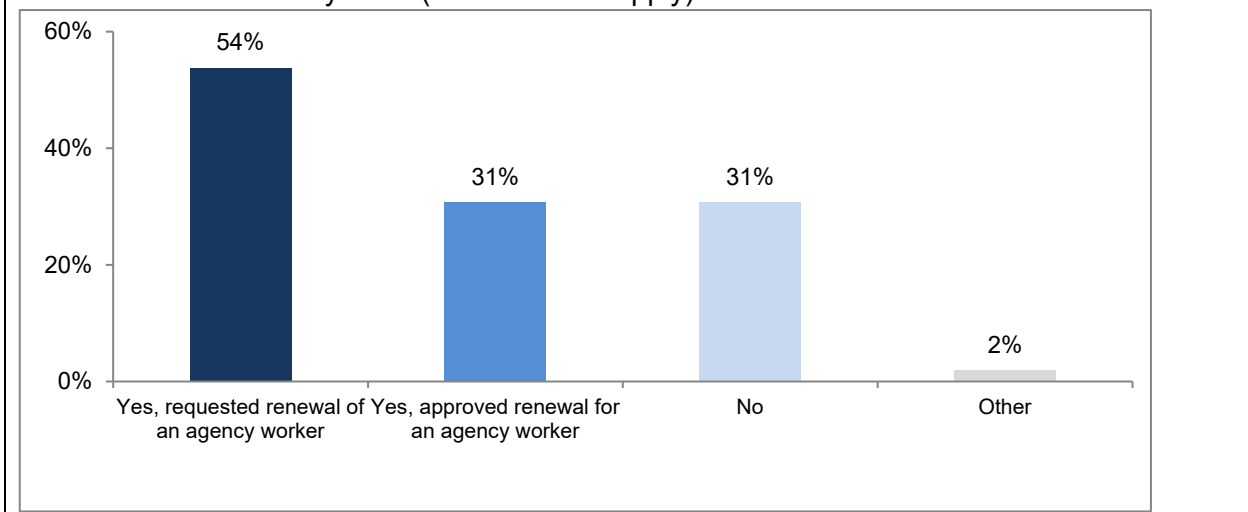


11. Have you requested for, or approved the renewal of the contract of an ICS in the last three years? (Select all that apply)





12. Have you requested for, or approved the renewal of the contract of an agency worker in the last three years? (Select all that apply).



[Annex III follows]

**ANNEX III: REGIONAL GROUPING OF COUNTRIES**

Africa	Asia & Pacific	Eastern and Central Europe and Central Asia	Latin America and the Caribbean	Middle East	North America	Western Europe
Algeria	Afghanistan	Albania	Antigua and Barbuda	Bahrain	Canada	Andorra
Angola	Australia	Armenia	Argentina	Cyprus	United States of America	Austria
Benin	Bangladesh	Azerbaijan	Bahamas	Iran (Islamic Republic Of)		Belgium
Botswana	Bhutan	Belarus	Barbados	Iraq		Denmark
Burkina Faso	Brunei Darussalam	Bosnia and Herzegovina	Belize	Israel		Finland
Burundi	Cambodia	Bulgaria	Bolivia	Jordan		France
Cabo Verde	China	Croatia	Brazil	Kuwait		Germany
Cameroon	Cook Islands	Czechia	Chile	Lebanon		Greece
Central African Republic	Fiji	Estonia	Colombia	Oman		Holy See (Vatican City State)
Chad	India	Georgia	Costa Rica	Qatar		Iceland
Comoros	Indonesia	Hungary	Cuba	Saudi Arabia		Ireland
Congo	Japan	Kazakhstan	Dominica	Syrian Arab Republic		Italy
Congo, The Democratic Republic	Kiribati	Kyrgyzstan	Dominican Republic	Turkey		Liechtenstein
Côte d'Ivoire	Korea, Democratic People's Rep	Latvia	Ecuador	United Arab Emirates		Luxembourg
Djibouti	Lao People's Democratic Republic	Lithuania	El Salvador			Malta
Egypt	Malaysia	Montenegro	Grenada			Monaco
Equatorial Guinea	Maldives	North Macedonia	Guatemala			Netherlands
Eritrea	Marshall Islands	Poland	Guyana			Norway
Eswatini	Mongolia	Republic of Moldova	Haiti			Portugal
Ethiopia	Myanmar	Romania	Honduras			San Marino
Gabon	Nauru	Russian Federation	Jamaica			Spain
Gambia	Nepal	Serbia	Mexico			Sweden
Ghana	New Zealand	Slovakia	Nicaragua			Switzerland
Guinea	Niue	Slovenia	Panama			United Kingdom of Great Britain
Guinea-Bissau	Pakistan	Tajikistan	Paraguay			
Kenya	Papua New Guinea	Turkmenistan	Peru			
Lesotho	Philippines	Ukraine	Saint Kitts and Nevis			

Liberia	Republic of Korea	Uzbekistan	Saint Lucia			
Libya	Samoa		St Vincent and the Grenadines			
Madagascar	Singapore		Suriname			
Malawi	Solomon Islands		Trinidad and Tobago			
Mali	Sri Lanka		Uruguay			
Mauritania	Thailand		Venezuela (Bolivarian Republic)			
Mauritius	Timor-Leste					
Morocco	Tonga					
Mozambique	Tuvalu					
Namibia	Vanuatu					
Niger	Viet Nam					
Nigeria						
Rwanda						
Sao Tome and Principe						
Senegal						
Seychelles						
Sierra Leone						
Somalia						
South Africa						
Sudan						
Togo						
Tunisia						
Uganda						
United Republic of Tanzania						
Zambia						
Zimbabwe						

[End of Annexes and of Document]

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