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Internal Oversight Division

Internal Audit Policy

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REVISION HISTORY

VERSION	DATE APPROVED AND APPROVER	PREPARED BY	REVISION NOTES
2025.1	January 20, 2025 Approved by Julie Nyang'aya, Director, IOD	Dainis Reiniēks, Senior Internal Auditor, IOD	<ul style="list-style-type: none">▪ Alignment with the 2024 Global Internal Audit Standards and the Internal Oversight Charter;▪ Update of the content concerning IOD's overall opinion on governance, risk management, and internal controls;▪ Other minor editorial changes.

LIST OF ACRONYMS

IA	Internal Audit
IAOC	Independent Advisory Oversight Committee
IIA	Institute of Internal Auditors
IOC	Internal Oversight Charter
IOD	Internal Oversight Division
IPPF	International Professional Practices Framework
WIPO	World Intellectual Property Organization

1. BACKGROUND

1. The Internal Audit (IA) Policy (hereafter the Policy) provides the framework and governing principles for planning, conducting, and reporting internal audit engagements in the World Intellectual Property Organization (WIPO). The Policy establishes principles for the IA function within WIPO. This Policy is developed to operationalize the Internal Oversight Charter (IOC), which requires the establishment of a Policy for the IA function¹. This Policy is implemented through the IOD Internal Audit Manual, other relevant procedures, and guidelines.

2. As applicable, feedback provided by WIPO Senior Management, the Independent Advisory Oversight Committee (IAOC), and the Member States was also considered in formulating the Policy. This Policy comes into effect upon approval by the Director, IOD, in fulfillment of their obligation as mandated by the IOC.

2. PURPOSE AND OBJECTIVES OF THE INTERNAL AUDIT POLICY

3. The Policy is consistent with WIPO regulations, rules, and the IOC. It has been prepared in conformance with the [Global Internal Audit Standards²](#), and related guidance.

4. The objective of this policy is to establish an effective and efficient IA function as mandated by the IOC. This function will provide independent, objective assurance and advisory services designed to, among other things, add value and improve WIPO's operations.

5. Principles of the Policy ensure the IA function assesses the Organization with regards to:

- (a) Effective governance structure in place;
- (b) Appropriate identification and management of risks;
- (c) Efficient design and effective functioning of internal control mechanisms;
- (d) Compliance with Regulations and Rules and supporting procedures and guidelines;
- (e) Reliability and integrity of systems and tools to support operations and reporting;
- (f) Effective, efficient, and economic use of resources to achieve strategic objectives;
and
- (g) Consistent achievement of organizational Expected Results as set within the WIPO Results Based Management framework.

6. The IA function will provide recommendations to improve the efficiency and effectiveness of practices across the Organization.

7. The IA Manual and supporting guidelines and operating procedures have been developed to implement this policy.

¹ Internal Oversight Charter, paragraph 30 (b). The last version of the Internal Oversight Charter was approved by the General Assembly at its 65th session on July 17, 2024, and will enter into force in January 2025.

² Released by the Institute of Internal Auditors (IIA) on January 9, 2024, effective January 9, 2025.

3. DEFINITION AND MISSION

8. In conformance with the definition of internal auditing adopted by the IIA, “internal auditing is an independent, objective assurance and advisory service designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes”³. Internal auditing strengthens the organization’s ability to create, protect, and sustain value by providing the board and management with independent, risk-based, objective assurance, advice, insight, and foresight⁴.

9. As defined in the IOC, the mission of IOD is “to provide independent and objective oversight services that enhance WIPO’s operations, governance, risk management, and internal controls and support the achievement of the Organization’s mission, goals, and objectives.”⁵

10. The internal audit services in WIPO shall be carried out in conformance with the [Global Internal Audit Standards](#) issued by the IIA.

11. The ultimate goal of the IA function is to be relevant and independently serve the Organization and its key stakeholders in the best possible way by contributing to achieving the Organization’s strategic goals and Expected Results in a changing business environment.

4. ACCOUNTABILITY AND AUTHORITY

12. The Director, IOD, reports administratively to the Director General but is not part of operational management. The Director, IOD, enjoys functional and operational independence from Management in the conduct of her/his duties. In the exercise of her/his functions, she/he takes advice from the IAOC. The Director, IOD, has the authority to initiate, carry out, and report on any action that she/he considers necessary to fulfill her/his mandate⁶.

13. The Director, IOD, and oversight staff shall be independent of all WIPO programs, operations, and activities to ensure the impartiality, integrity, and credibility of the work undertaken⁷.

14. The Director, IOD, and oversight staff shall conduct oversight work in a professional, impartial, and unbiased manner and in accordance with good practices, professional standards, and norms generally accepted and applied by the United Nations system organizations⁸.

15. For the performance of her/his duties, the Director, IOD, shall have unrestricted, unlimited, direct, and prompt access to all WIPO records, officials, or personnel, holding any WIPO contractual status, and to all the premises of WIPO⁹.

³ [Global Internal Audit Standards](#)

⁴ [Global Internal Audit Standards](#)

⁵ WIPO Internal Oversight Charter, paragraph 2.

⁶ WIPO Internal Oversight Charter, paragraph 4.

⁷ WIPO Internal Oversight Charter, paragraph 5.

⁸ WIPO Internal Oversight Charter, paragraph 6.

⁹ WIPO Internal Oversight Charter, paragraph 7.

16. The Director, IOD, shall have access to the Chairs of the General Assembly, the Coordination Committee, the Program and Budget Committee, and the IAOC¹⁰.

17. The Director, IOD shall respect the confidential nature of, and protect from unauthorized disclosure, any information gathered or received in the course of an internal audit and shall use such information only in so far as it is necessary for the performance of her/his duties¹¹.

18. In the performance of their oversight work, the Director, IOD, and oversight staff shall avoid perceived or actual conflicts of interest. The Director, IOD, and oversight staff shall have no direct operational responsibility or authority over any of the activities audited or engage in any other activity that may impair their judgment. The Director, IOD, shall report any significant impairment to independence and objectivity, including conflicts of interest, for due consideration of the IAOC. The Director, IOD, shall confirm to the IAOC, at least annually, the organizational independence of IOD¹².

19. To optimize oversight coverage, promote efficiency, and avoid duplication of work, the Director, IOD shall liaise regularly with internal and external providers of assurance services. These include the Office of the Controller, the External Auditor, and the Joint Inspection Unit of the United Nations System. The Director, IOD, shall also periodically liaise with the Chief Ethics Officer, the Ombudsperson, the Human Resources Management Department, and the Office of the Legal Counsel¹³.

5. PROFESSIONALISM AND PROFICIENCY

20. The Director, IOD shall ensure that the IA function adheres to the IIA [Global Internal Audit Standards](#) and Topical Requirements.

21. In addition, the IA function will adhere to WIPO regulations, rules, policies, procedures, and other related instructions and the [Standards of Conduct for the International Civil Service](#).

22. The Director, IOD, shall ensure that the IA function comprises staff appointed in accordance with WIPO [Staff Regulations and Rules](#) who collectively possess the knowledge, skills, and other competencies needed to perform its tasks and duties effectively.

23. The Director, IOD shall promote continuing professional development to meet the requirements of the IOC. The IA function staff members must exercise due professional care when carrying out their duties and tasks.

6. CODE OF ETHICS

24. The IA function of IOD shall adhere to the Domain II: Ethics and Professionalism of the [Global Internal Audit Standards](#) and the [WIPO Code of Ethics](#)¹⁴ built on the [Standards of Conduct for the International Civil Service](#)¹⁵.

¹⁰ WIPO Internal Oversight Charter, paragraph 8.

¹¹ WIPO Internal Oversight Charter, paragraph 12.

¹² WIPO Internal Oversight Charter, paragraph 22.

¹³ WIPO Internal Oversight Charter, paragraph 13.

¹⁴ OI No. 84/2012 https://intranet.wipo.int/oic_doc/en/2012/oi_84_2012.pdf

¹⁵ <https://icsc.un.org/Resources/General/Publications/standardsE.pdf>

7. SERVICES AND TASKS OF THE INTERNAL AUDIT FUNCTION

25. To deliver on its mission, the IA function will use a risk-based approach to develop strategic and operational plans and provide assurance and advisory services.

26. **Assurance Services** – Services through which internal auditors perform objective assessments to provide assurance. Examples of assurance services include compliance, financial, operational/performance, and technology engagements. Internal auditors may provide limited or reasonable assurance, depending on the nature, timing, and extent of procedures performed¹⁶.

27. **Advisory Services** – Services through which internal auditors provide advice to an organization's stakeholders without providing assurance or taking on management responsibilities. The nature and scope of advisory services are subject to agreement with relevant stakeholders. Examples include advising on the design and implementation of new policies, processes, systems, and products; providing forensic services; providing training; and facilitating discussions about risks and controls. "Advisory services" are also known as "consulting services"¹⁷.

28. If the internal audit function is to provide assurance services where it had previously performed advisory services, the Director, IOD must confirm that the nature of the advisory services does not impair objectivity and must assign resources such that individual objectivity is managed. Assurance engagements for functions over which the Director, IOD has responsibility must be overseen by an independent party outside the internal audit function.

29. As a systematic practice, Internal Audit, through the Director IOD, should seek advice from the IAOC for any Advisory Services requests that may be perceived as a conflict of interest, or can potentially affect independence and objectivity of the Internal Audit function.

30. As stipulated in the IOC, based on the scope of work undertaken, the Director, IOD shall issue an annual overall opinion¹⁸ on the adequacy and effectiveness of the governance, risk management, and control processes that impact the achievement of WIPO's objectives and Expected Results¹⁹.

31. Within the context of IOD, the IA function should collaborate with other functions where required, in:

- (a) Reporting obligations to stakeholders, including the IAOC;
- (b) Monitoring and reporting on the implementation of audit recommendations, including those from External Auditors;
- (c) Managing the contracts with and assessing the performance of outsourced/co-sourced service providers;
- (d) Managing the training program for the IA function staff members; and

¹⁶ [Global Internal Audit Standards](#)

¹⁷ [Global Internal Audit Standards](#)

¹⁸ Effective from year ending December 31, 2025.

¹⁹ WIPO Internal Oversight Charter, paragraph 34.

- (e) Ensuring an effective continuous quality assurance and improvement program, including developing key performance indicators for the IA function.

8. AUDIT PROCESS: PLANNING, CONDUCTING, AND REPORTING

32. The Director, IOD, is responsible for developing a risk-based Oversight Annual Workplan, which outlines specific assignments to be performed over a two-year period. The development of the plan includes a review of the Organization's risk assessment and key processes, and considers inputs from internal stakeholders, Member States, and the IAOC. The oversight plan is shared with the Director General, the IAOC, Sector Leads, and External Auditors. The [IOD Annual Planning Development Cycle](#) sets out details of the planning process.

33. Although each IA engagement may be particular, the process is similar for most engagements. Usually, it consists of the following phases, conducted in conformance with the [Global Internal Audit Standards](#):

- (a) Planning;
- (b) Execution (fieldwork);
- (c) Communicating Results (reporting);
- (d) Closure; and
- (e) Follow-up.

34. The IOD Manual specifies procedures for planning, executing, and reporting on audits, while there is a separate [IOD Procedure on Management of Recommendations](#).

9. QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

35. In line with [Global Internal Audit Standards](#) and Paragraph 30(e) of the Charter, IOD has established a [Quality Assurance and Improvement Program](#) (QAIP) for the IA function, including periodic internal and external reviews and ongoing self-assessments in accordance with the applicable standards. The QAIP is reported to the Member States through the WIPO Performance Report and the Annual Report of the Director, IOD.

10. PURPOSE AND USE OF INTERNAL AUDIT RESULTS

36. IA outputs/results can take the form of reports, memoranda, briefings, and other information exchanges. The most common form of communicating audit results is through a report. An engagement report is a formal document that summarizes work performed and reports ensuing findings and recommendations.

37. The engagement report should be accurate, objective, clear, concise, constructive, complete, and timely, including a fair-minded and balanced assessment of all relevant facts and circumstances.

38. Recommendations made in the engagement reports should add value to WIPO by, among other things:

- (a) Providing a basis for improved governance and decision-making;
- (b) Contributing to promoting and ensuring clarity in roles and accountability;
- (c) Supporting the enhancement of internal controls, compliance, and risk management;
and
- (d) Contributing to effective knowledge management and sharing.

11. REVIEW CLAUSE

39. The Policy will be reviewed and revised as necessary.

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