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ANNUAL REPORT BY THE DIRECTOR OF THE INTERNAL OVERSIGHT DIVISION (IOD)

prepared by the Secretariat

1.   The present document contains the "Annual Report by the Director of the Internal Oversight Division (IOD)" (document WO/PBC/37/4), submitted to the WIPO Program and Budget Committee (PBC) at its Thirty-Seventh Session (June 10 to June 14, 2024).

2.   Any decisions of the PBC regarding that document will appear in the "List of Decisions adopted by the Program and Budget Committee" (document A/65/6).

[Document WO/PBC/37/4 follows]

Program and Budget Committee

**Thirty-Seventh Session
Geneva, June 10 to 14, 2024**

ANNUAL REPORT BY THE DIRECTOR OF THE INTERNAL OVERSIGHT DIVISION (IOD)

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1.	In accordance with paragraph 47 of the Internal Oversight Charter (IOC), the Director, Internal Oversight Division (IOD), shall submit, on an annual basis, a summary report to the World Intellectual Property Organization (WIPO) General Assembly, through the Program and Budget Committee (PBC). The report shall give an overview of the internal oversight activities conducted during the reporting period from January 1, 2023 to December 31, 2023.

2.	The following decision paragraph is proposed.

3.	*The Program and Budget Committee (PBC) recommended to the WIPO General Assembly to take note of the "Annual Report by the Director of the Internal Oversight Division (IOD)" (document WO/PBC/37/4).*

[Annual Report by Director, IOD follows]

ANNUAL REPORT BY THE DIRECTOR OF THE INTERNAL OVERSIGHT DIVISION

January 1, 2023 to December 31, 2023

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LIST OF ACRONYMS

ASEAN	Association of Southeast Asian Nations
ASHI	After-Service Health Insurance
CDIP	Committee on Development and Intellectual Property
CRM	Customer Relationship Management
DA	Development Agenda
DAP	Division for Asia and the Pacific
ERM	Enterprise Risk Management
GII	Global Innovation Index
HLOP	High Level Official in Charge of Procurement
HRMD	Human Resources Management Department
HRPI	HR Pension and Insurance Unit
IAOC	Independent Advisory Oversight Committee
ICTD	Information and Communication Technology Department
IIA	Institute of Internal Auditors
IOC	Internal Oversight Charter
IOD	Internal Oversight Division
IP	Intellectual Property
IT	Information Technology
MIR	Management Implication Report
MTSP	Medium-Term Strategic Plan
OCR	Optical Character Recognition
OLC	Office of the Legal Counsel
PCT	Patent Cooperation Treaty
PSA	Periodic Self-Assessment
QAIP	Quality Assurance and Improvement Program
RIAS	Representatives of Internal Audit Services
RNDS	Regional and National Development Sector
SMART	Specific, Measurable, Achievable, Relevant, Time-bound
TOR	Terms of Reference
UN	United Nations
UN-SWAP	United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women
UNEG	United Nations Evaluation Group
WIPO	World Intellectual Property Organization
WSO	WIPO Singapore Office

EXECUTIVE SUMMARY

1.   The year 2023 marked the second year of the Medium Term Strategic Plan (MTSP) for 2022-2026. As part of its contribution to the Foundation Pillar, the Internal Oversight Division (IOD) conducted engagements and made recommendations that were aimed at, among other things, supporting the achievement of the Organization's areas of strategic focus and assessing various elements of its control environment.

2.   IOD's work focused on supporting the MTSP through relevant engagements such as the audit of the Madrid Registry, audit of the Implementation of the World Intellectual Property Organization (WIPO) Data Privacy and Standards, audit of the WIPO Global Innovation Index (GII), and review of the WIPO Singapore Office. It also validated the After Service Health Insurance (ASHI) Claims Data, undertook an audit of the Patent Cooperation Treaty (PCT) Operations (which started in 2022) and an audit of Cloud management (which was finalized in early 2024).

3.   Further, IOD conducted evaluations linked to the MTSP's strategic goals. These included the Impact Evaluation of the Development Agenda (DA) Project: Intellectual Property (IP) and Socio-Economic Development; and Learning from the Implementation of WIPO Initiatives aimed at Empowering Women Entrepreneurs (phase 1).

4.   In addition, IOD performed a combined audit and evaluation of the Office of the Legal Counsel (OLC), which commenced in 2022 and was finalized in 2023.

5.   As part of its advisory services, IOD advised the Human Resources Management Department (HRMD) on enabling a more inclusive and diverse environment in the human resources recruitment process.

6.   All recommendations made through the various reports were discussed and accepted by Management. Further, no instances occurred that could be considered as threatening the operational independence of IOD or perceived as interference in the work of the Division.

7.   During 2023, IOD issued six internal audit reports, two evaluation reports, 14 full investigation reports, and three Management Implication Reports (MIR). IOD made 45 recommendations in the reporting year and closed 78 recommendations during the same period. As of the end of 2023, there were 59 open recommendations. Out of these, 48 were related to IOD engagements, and 11 were from reports by the External Auditor.

8.   In 2023, 37 new complaints were registered, marking a 16 per cent increase from 2022. During the same period, 31 complaints were closed following the preliminary evaluation stage and 14 investigations were concluded. As of December 31, 2023, there were 16 pending matters, comprising five at the preliminary evaluation stage, seven investigations, and four on hold (due to subject unavailability or pending actions by another entity). Of the pending matters, 12 were initiated in 2023, and four in 2022. Notably, none of these matters were deemed to have a significant financial impact on the Organization.

9.   After each engagement, IOD continued seeking feedback from colleagues of WIPO organizational units that had been audited and/or evaluated and assessed its own performance through client satisfaction surveys. At the end of 2023, the consolidated analysis of the post-engagement survey results indicated a satisfaction rate of 91 per cent, and 76 per cent for surveys sent at least one year after completing engagements. Additional client comments helped inform IOD's Quality Assurance and Improvement Program (QAIP).

10.   In 2024, IOD will continue to play its part in supporting the Foundation of the Organization's Strategy House and the achievement of the MTSP, by providing assurance, advice, learning, and supporting accountability, internal justice, and integrity.

BACKGROUND

11.   The purpose of WIPO's IOD is to provide independent and effective internal oversight for the Organization, in line with the provisions of the Internal Oversight Charter (IOC).

12.   The IOC requires[1] the Director, IOD, to submit, on an annual basis, a summary report to the WIPO General Assembly, through the Program and Budget Committee. The Annual Report shall give an overview of the internal oversight activities conducted during the reporting period, including the scope and objectives of such activities, the schedule of work undertaken, and progress on implementing internal oversight recommendations.

13.   In accordance with the IOC, a draft version of the annual report was provided to the Director General and the Independent Advisory Oversight Committee (IAOC) for their comments. Their feedback was taken into account in finalizing the report.

SOME HIGHLIGHTS OF 2023

14.   The year 2023 marked the second year of the operationalization of the MTSP for 2022-2026. As part of the Foundation Pillar, IOD contributed to empowering colleagues to work efficiently, collaboratively, and innovatively, by conducting engagements and making recommendations that support the achievement of Expected Results.

15.   Throughout 2023, IOD continued to support WIPO in strengthening controls, accountability, transparency, and learning, through audits, evaluations, investigations, assurance and advisory[2] engagements, and cross-sectional engagements involving auditors and evaluation professionals.

16.   The year saw an increase in the investigation caseload in the first six months, compared to the same period in 2022. An external resource was contracted to help address the load.

17.   Following a competition, Ms. Julie Nyang'aya, a national of Kenya, was appointed Director, IOD, effective October 1, 2023. Before her appointment, the respective Heads of Sections of the Division rotated as Officer-in-Charge.

18.   Looking ahead, IOD will continue its work on supporting the ongoing implementation of the MTSP through relevant engagements in 2024.

PLANNING PRINCIPLES

19.   In developing its Internal Oversight Plan for 2023, IOD considered several factors, including risk ratings, relevance, horizon scanning, oversight cycle, and feedback from Management and Member States. Before finalizing the Plan, IOD submitted it to the IAOC for its review and advice as per paragraph 28(a) of the IOC.[3]

20.   To provide effective oversight coverage with the efficient use of limited resources while avoiding potential overlaps, IOD also considered the work done by the External Auditor and other oversight bodies, such as the Joint Inspection Unit, and evaluations commissioned by the Committee on Development and Intellectual Property (CDIP).

PROFESSIONAL STANDARDS

21.   IOD undertook its audit activities in conformance with the mandatory elements of the International Professional Practices Framework promulgated by the Institute of Internal Auditors (IIA), including its International Standards for the Professional Practice of Internal Auditing, Core

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[1] IOC paragraphs 47 and 48.
[2] The term **Advisory** is used when IOD supports the client by providing advice and making comments, but does not take the lead in managing the activity or producing a formal deliverable.
[3] Paragraph 28 of the IOC establishes the duties and modalities of work, which include a requirement that "prior to finalizing the internal oversight plan, the Director, IOD, shall submit the draft plan to the IAOC for its review and advice."

Principles for the Professional Practice of Internal Auditing, Definition of Internal Auditing, and Code of Ethics adopted by the United Nations Representatives of Internal Audit Services (RIAS), Multilateral Financial Institutions and Associated Intergovernmental Organizations. IOD has since adopted the updated Global Internal Audit Standards^{TM} issued by the IIA on January 9, 2024, effective January 9, 2025, with early adoption encouraged.

22. For evaluation engagements and activities, IOD followed the International Standards in Evaluation Practice set out by the United Nations Evaluation Group (UNEG).

23. IOD's investigative work was conducted as per the Uniform Principles and Guidelines for Investigations endorsed by the Conference of International Investigators.

GENDER MAINSTREAMING

24. In the context of the United Nations (UN) System-Wide Action Plan (SWAP) Performance Report[4] and with respect to gender equality and mainstreaming it in IOD's work, the current conditions and actions can be reported:

(a)   IOD consulted the Gender and Diversity Specialist during the annual planning and risk assessment;

(b)   IOD has included a standing work step on gender mainstreaming in its work program for applicable oversight engagements; for instance, some elements of gender were included in the report on the audit of the Madrid Registry, and audit of the GII, among others;

(c)   The Evaluation Section applies, where applicable, the UNEG Guidance on Integrating Human Rights and Gender Equality in Evaluations during all phases of the evaluation; and

(d)   IOD continued its follow-up on implementing the recommendation from the report on the evaluation and audit of the WIPO Policy on Gender Equality issued in 2019.

ENGAGEMENTS WITH HIGH-PRIORITY OVERSIGHT RECOMMENDATIONS

25. During the reporting period, the following engagements resulted in the issuance of high-priority recommendations that were agreed upon with Management and regularly followed up by IOD:

(a)   Audit and Evaluation of PCT Operations and Customer Relations, Part I: Results of the Audit of PCT Operations (one high-priority recommendation);

(b)   Audit of the WIPO GII (one high-priority recommendation); and

(c)   Audit of the Madrid Registry (two high-priority recommendations).

26. More information on the high priority findings and the status of open oversight recommendations can be found in the section for reported engagements in 2023 below.

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[4] Since 2021, the UN agreed on the landmark UN System-Wide Action Plan on Gender Equality and the Empowerment of Women, or UN-SWAP, to implement the gender equality policy of its highest executive body, the UN Chief Executives Board, chaired by the Secretary-General. Spearheaded by UN Women, the UN-SWAP for the first time assigns common performance standards for the gender-related work of all UN entities, ensuring greater coherence and accountability.

REPORTED ENGAGEMENTS IN 2023

AUDIT AND EVALUATION OF THE OFFICE OF THE LEGAL COUNSEL

27.   The engagement had two main objectives: (i) review of the governance, risk management, compliance, and effectiveness of internal controls in OLC, and adequacy of tools and systems used to support the Office; and (ii) review of services provided by OLC and identifying prospective measures to enhance internal and external services in view of the new organizational context.

28.   IOD observed that the services of OLC were consistent with its mandate and relevant to the Organization's strategic directions.

29.   OLC's positioning, resources, and capacities were found adequate to deliver activities and results effectively and efficiently, including adopting and promoting collaborative approaches at three levels: internal, cross-sectoral, and external. The Office also tailored processes to manage information, knowledge, and mechanisms to ensure that roles and responsibilities within OLC were clearly articulated and understood.

30.   It was recommended, in line with the MTSP 2022-2026, that OLC should adopt systems and/or processes to manage stakeholders' feedback with the twofold purpose of promoting a positive customer experience and improving its services for the benefit of the Organization. In collaboration with the Program Performance and Budget Division, it should design performance indicator(s), preferably building on stakeholders' perceptions that would reflect the contributions of its three Sections to the WIPO Results Framework.

31.   To be consistent, enhance learning, and preserve institutional memory, OLC should enhance its information and knowledge management processes and mechanisms, including in terms of (i) documenting processes and practices in the form of Standard Operating Procedures; and (ii) enhancing communication through further developing and enriching the intranet and internet pages of OLC.

32.   Management accepted the two recommendations, which are scheduled to be implemented by June 2024.

AUDIT AND EVALUATION OF PCT OPERATIONS AND CUSTOMER RELATIONS – PART I: AUDIT OF PCT OPERATIONS

33.   The objectives of the engagement were to: (i) review the governance and structure, risk management, and compliance, as well as the effectiveness of internal controls in the PCT Services; and (ii) assess the adequacy and effectiveness of tools and systems used to support the PCT Services.

34.   IOD noted that the PCT Operations Division embarked on a workforce transformation in 2022 aimed at, among other things, transforming the workforce from being application-driven (process-focused) to an applicant/client-driven approach (needs-focused). Further, the Division implemented a Work Management system that facilitated its work through a web-based platform, and provided the relevant PCT statistics and access to relevant information and learning resources for staff members.

35.   While acknowledging these positive initiatives and actions, IOD noted that the transformation of the PCT Operations Division and associated risks need to be managed accordingly so that the process yields the envisaged benefits, such as responding to the evolution of business demands, providing better quality services to the users, and better alignment with the areas of strategic focus.

36.   It was recommended that the Patents and Technology Sector review and update the risk of significant exposure to a single PCT filing country's change in filing volumes, including other related risks in the Enterprise Risk Management (ERM) system, and the appropriate response.

37.   To further improve customer service, it was recommended to identify at least one or two staff members who would provide consistent and coordinated ePCT first-level support on a daily basis with this being one of their key work objectives as per the performance management system.

38.   The ePCT Services uses the Optical Character Recognition (OCR) service to extract and repurpose data on patent applications from original paper filings, scanned electronic filings, and PDF filings. The process and procedure of processing patent application files using the OCR Quality Checker, an application within the OCR Service, was noted to be repetitive, strenuous, time-consuming, and with some technical limitations. It was recommended, in coordination with relevant stakeholders, to develop a plan of action targeted at Receiving Offices, IP Offices, and applicants to progressively decrease the number of international filings that require the use of the OCR Quality checker.

39.   The Quality Control Manual needed to be completed by the PCT Operations Division within a defined time frame, and the staff members designated to conduct this exercise should also ensure it is regularly reviewed, updated, and adhered to.

40.   It was recommended to review the profile of the staff in the Functional Development and Support Function of the PCT Operations Division and to align the resources to ensure that they adequately meet the required functional development and support activities of the Section, including by translating business needs into IT solutions.

41.   In coordination with the PCT Information Systems Division, it was recommended that the PCT Operations Division implement an appropriate technical solution to enhance the efficiency and accuracy of making changes related to the PCT Rule92*bis*.1.

42.   In light of the challenges and delays in semi-automating the work distribution using the Team Planner, the PCT Operations Division should review the business case and explore and implement an automated tool that delivers cost and labor-saving benefits while integrating emerging technologies.

43.   IOD observed that the PCT Information Systems Division could enhance its client orientation and internal service management model by developing a feedback mechanism that systematically and consistently captures internal clients' feedback.

44.   IOD issued nine recommendations (one being of **high priority** that was withheld from publication for security reasons), three of which were implemented by Management as of December 31, 2023.

AUDIT OF THE WIPO GLOBAL INNOVATION INDEX

45.   The objectives of the audit engagement were to: (i) verify whether measures were taken to ensure appropriate governance, independence, transparency, and integrity surrounding the management and development of the GII, including managing any potential conflict of interest; and (ii) provide reasonable assurance that the Organization put in place efficient and effective risk management and controls surrounding the accuracy, reliability and completeness of data used in developing the GII, including verifying the validity and reasonableness of assumptions and models used.

46.   The governance structure around the GII was inherited from WIPO's previous status and responsibilities as a knowledge partner and then co-publisher. With the change in the role and responsibility of WIPO, there was a need to review the current governance to reinforce clarity and transparency, and redefine the components of the structure, in particular, governance and advisory boards, to better reflect their respective functions.

47.   IOD observed that there were various communication lines and flows for government institutions to contact WIPO on the GII, which may unnecessarily expose the GII team to risks related to perceived influence or conflict of interest. It was recommended, **as a high priority**, to take additional measures to further reduce the abovementioned exposure by defining and issuing a communication guideline for receiving and responding to requests with segregation of

duties therein and updating both the internal and external communications on the acceptable flow of requests, designated recipients, and responsible respondents.

48.　IOD considered it important to review the current criteria and approach for publishing forewords provided by third parties to determine whether it is fit-for-purpose, impartial, devoid of any perceived conflict of interest, and aligned with the underlying purpose of the GII report.

49.　WIPO used two websites to, among other things, enhance visibility and disseminate information on the GII. One website belongs to WIPO, the other to the external co-editor, and both present information on the GII. It was recommended that the costs and benefits of WIPO managing the two websites be reviewed and a cost-efficient way forward be determined.

50.　It was recommended that the WIPO Composite Indicator Research Section (i) expand its internal guidelines and include more detailed process descriptions and steps on internal and external stakeholders' notifications before the GII global launch and relationships with external data providers, among others; (ii) update the ERM risk register and record additional operational risks and related controls around the GII, such as perceived conflict of interest; (iii) exclude or clearly highlight outdated data in the tables of strengths and weaknesses on the online "In-depth Economy Briefs"; and (iv) develop a guidance document for the GII database and the GII repository for collaborative codes.

51.　The eight recommendations were accepted by Management. As at December 31, 2023, six had been implemented, while the remaining two will be addressed in 2024. The outstanding recommendations are: (i) to review the current approach for publishing forewords provided by third parties, with a view to determining whether it is fit-for-purpose, impartial, and aligned with the underlying purpose of the GII report; and (ii) to develop a guidance document for the GII database and the GII repository for collaborative codes.

VALIDATION OF THE AFTER-SERVICE HEALTH INSURANCE

52.　IOD conducted a validation[5] of a sample of data on ASHI[6] claims for expenses incurred in 2021 and from January to October 2022, corresponding to the data shared with the Actuary, and which was used to calculate relevant figures for the ASHI liability recorded in the financial statements of WIPO as at December 31, 2022. A total of 102 members with 984 transaction lines were sampled.

53.　As with the previous validation for 2021, IOD obtained claims data directly from Cigna and performed reconciliations with the various internal sources of data, notably, a listing of ASHI members provided by HRMD and a listing of premium payments provided by the Finance Division. No significant difference was found as a result.

54.　The results of the validation exercise showed that controls put in place by Cigna to manage WIPO ASHI claims are established, secured, and managed effectively and efficiently.

55.　The verification of the ASHI management and premium payment workflow within WIPO did not identify any significant issues regarding the design and implementation of controls around the management of ASHI. However, IOD noted that the Human Resources Pension and Insurance Unit (HRPI) identified a case where a newly retired staff member joined ASHI while their spouse was still in active service as a WIPO staff member. WIPO's Office Instruction No. 40/2017 on ASHI states that "[i]f one spouse separates from service with WIPO before the other spouse, the spouse remaining in active service must become the subscriber under WIPO's group medical insurance plan". HRPI subsequently took retroactive corrective

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[5] The validation was not a full assurance engagement and was aimed at testing a sample of WIPO claims for occurrence, accuracy, and validity while reviewing relevant information that would lead to the assumption that effective measures have been put in place by Cigna to ensure the accuracy and quality, information integrity, confidentiality, and availability of WIPO ASHI claims data.

[6] WIPO contracted Cigna Life Insurance Company of Europe S.A (the Insurer) and Cigna International Health Services B.V (the Intermediary) which provide health insurance services to current and retired WIPO staff.

measures. While acknowledging that these were rare cases, it would be useful, going forward, to perform a systematic/regular control to prevent or detect such instances early.

56.   IOD did not make any formal recommendation in the report. However, it will continue to follow up on suggestions made to HRMD.

REVIEW OF THE WIPO SINGAPORE OFFICE

57.   The objectives of the audit were to: (i) assess the effectiveness of governance, compliance, risk management, and internal controls surrounding the operations of the WIPO Singapore Office (WSO); (ii) verify whether the structure and resources are fit-for-purpose; and (iii) assess the adequacy of tools and systems to support operations, including effective information flow with the Headquarters.

58.   IOD did not find any critical issues during the review of WSO. However, opportunities to further enhance roles and responsibilities, communication, branding, and visibility were highlighted.

59.   While the mandate of WSO covered the Asia-Pacific Region, in practice, over the years, this mandate evolved with the strategies of the Organization to concentrate its efforts on the Association of Southeast Asian Nations (ASEAN), which comprised 10 nations. However, the Division for Asia and the Pacific (DAP) in the Regional and National Development Sector (RNDS) also holds a mandate that covers the 38 countries of the Asia-Pacific Region, including ASEAN. Acknowledging that RNDS took some measures to clarify and coordinate the activities between the two, IOD recommended that these measures be further strengthened to ensure that the roles and responsibilities of WSO and DAP are clear to avoid potential duplications, overlaps, or communication inefficiencies.

60.   While acknowledging that WSO undertook various activities to promote the WIPO brand in the region and to increase its digital presence, IOD recommended that RNDS, with the support from WSO, work with other relevant stakeholders to establish a branding and communication plan for WSO including utilization of existing branding collateral and publications from the WIPO Headquarters and further enhance WSO's digital presence within the ASEAN Region.

61.   Management agreed to implement the two recommendations in 2024.

AUDIT OF THE MADRID REGISTRY

62.   The objectives of the audit were to: (i) assess the governance, risk management, compliance, and internal controls in the Madrid Registry; (b) assess whether resources are effectively managed to support the achievement of strategic objectives of the Madrid Registry; (c) assess the effectiveness of coordination, cooperation, and alignment, between services of the Madrid Registry to support the achievement of strategic objectives; and (d) assess the adequacy and effectiveness of tools and systems used to support the Madrid Registry.

63.   IOD noted that the Madrid Registry had a Road Map[7] that has been updated regularly, with the most recent update done in 2023. The Road map outlined some key areas on how the Madrid System could evolve for the benefit of its users and attract and support new members.

64.   The Madrid Registry, specifically the Madrid Information and Promotion Division, is tasked with informing and promoting the Madrid System to trademark owners of existing and new Madrid Members. To enhance the effectiveness of its marketing and promotion efforts and support the goals set out in the Madrid Road Map, IOD recommended that the Madrid Registry review the current structure, approach, and state of promotion and marketing, against the future

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[7] https://www.wipo.int/edocs/mdocs/madrid/en/mm_ld_wg_21/mm_ld_wg_21_6.pdf

desired outcomes, including enhancing the use of data-driven insights to support decision making and efficient utilization of resources.

65.   In line with the updated Road Map's objective of better serving customers, the Madrid Registry would benefit from reviewing the customer service framework to identify gaps and integrate best practices. To achieve this, the Madrid Registry should liaise with the Customer Relationship Management (CRM) project team to include call recording capabilities in the requirements for the new CRM system.

66.   The Madrid Registry should, in coordination with HRMD, review and revise the job descriptions for staff using the internal electronic tool with a view to incorporating customer service duties and responsibilities and other job-related competencies as applicable.

67.   The demographic profile of the Madrid Registry showed a leftward (negatively) skewed age distribution, indicating that several staff members are towards the higher end of the age range. It would be beneficial to the Madrid Registry to execute in a timely manner the proposed action of creating a comprehensive coordinated succession plan.

68.   IOD observed that 32 per cent (44 individuals) of the Madrid Registry's workforce were non-staff members, and among them, 68 per cent (30 individuals) were agency workers. IOD recommended **as a high priority** for the Madrid Registry, in coordination with the Procurement and Travel Division and other relevant stakeholders, to review the Terms of Reference for Agency workers and the actual roles and responsibilities they perform to determine whether they are aligned with the appropriate support profile/classification level.

69.   The Madrid Registry, in collaboration with the Statistics and Data Analytics Division, and the Program Performance and Budget Division, should reevaluate the calculation and assumptions of the Unit Cost for New/Renewed International Registrations, and designate a focal point responsible for monitoring the evolution of the components used in computing the unit costs.

70.   The new Madrid IT Platform project, a Capital Master Plan project with an approved budget of six million Swiss francs is currently being implemented. IOD noted that the project roadmap, covering the entire project cycle, was not yet finalized. The Madrid Registry Management anticipated completing the planning work to determine the overall project target date by March 2024. To consolidate and build on implementation progress, IOD recommended **as a high priority** that the Registry develop a mechanism for managing work packages within the project, as well as resources, by facilitating the steady transition of maintenance, support, and continuous improvement responsibilities from external resources to staff members.

71.   IOD issued eight recommendations, two of which are of high priority as highlighted above. As of December 31, 2023, Management had taken action to implement one recommendation, while the remaining seven will be implemented in 2024.

AUDIT OF THE IMPLEMENTATION OF THE WIPO DATA PRIVACY POLICY AND STANDARDS

72.   The objectives of the audit were to: (i) assess the adequacy of the governance structure, people and processes, and systems surrounding Data Protection/Privacy; (ii) assess the design, effectiveness, and adequacy of the WIPO Data Privacy Policy and Standards against relevant guidance and best practices; (iii) verify the relevance and alignment of the Data Protection/Privacy Program with key risks, the Policy, and WIPO needs; and (iv) review the plan and roadmap for implementing the Data Protection/Privacy Program and assess the status of implementation.

73.   The audit found that WIPO has a fit-for-purpose policy and standards aligned with good practices in data privacy and with the UN Personal Data Protection and Privacy Principles.

74.   It also found that WIPO has established a comprehensive privacy notice for external data subjects and applied data classification, encryption, secure storage, and a need-to-know principle to protect personal data.

75.   The audit highlighted some opportunities aimed at improving WIPO's data privacy management, its framework and practices. These include continued and structured communication between the Data Privacy Officer and stakeholders, establishing metrics or Key Performance Indicators for monitoring, reviewing, and continually enhancing the data privacy framework and practices, and introducing mandatory training on data privacy. Additionally, IOD recommended the finalization of the relevant data privacy documentation and tools including the internal privacy notice and the privacy impact assessment. Establishing a process for regularly reviewing and updating the personal data inventory would further strengthen WIPO's data privacy program and culture.

76.   The audit highlighted the need to clarify the oversight responsibility for data privacy management, as the initial monitoring of the privacy program implementation was under the responsibility of a Data Management Taskforce. To safeguard independence and enhance oversight, it would need to ensure that monitoring and review of data privacy management be overseen directly by the Information and Communication Technology and Information Assurance Board or an equivalent body.

77.   IOD issued seven recommendations that Management agreed to implement during 2024.

THE IMPACT EVALUATION ON THE DEVELOPMENT AGENDA PROJECT: INTELLECTUAL PROPERTY AND SOCIO-ECONOMIC DEVELOPMENT

78.   This report covered two phases of the Development Agenda (DA) project on IP and Socio-Economic Development implemented between 2012 and 2018 and sought to narrow the knowledge gap faced by policymakers in designing and implementing a development-enabling IP regime. The evaluation focused on the project's long-term impacts and complemented two previous evaluations conducted in 2014 and 2018 (documents CDIP/14/3 and CDIP/22/9 Rev.). The evaluation was coordinated with the DA Coordination Division, with the Evaluation Section of IOD providing a quality assurance review of the deliverables.

79.   The evaluation found relevant Expected Results in some of the countries where the project was implemented, which include, but are not limited to:

    (a)   Promotion of the DA recommendations increased within the beneficiary countries;

    (b)   Capacity-building for individuals was sustained and developed over time contributing to the achievement of impacts after the completion of the project implementation cycle;

    (c)   Research on IP issues became more multidisciplinary, notably including economists;

    (d)   IP Offices and other beneficiary institutions established enduring networks and increased priority given to IP issues;

    (e)   Databases at the national level improved in overall quality and availability of data, thereby promoting the use of economic data for policymaking;

    (f)   Conceptual change in the knowledge, understanding, and attitudes of researchers and policymakers on the economic benefits and importance of innovation for socio-economic development;

    (g)   Analytical capacity built at the country level informed decision-making and policy formulation; and

(h)   Increased investments in IP regulation and use by government authorities and the private sector.

80.   The evaluation also identified some lessons learned that could be applied to future projects in the same area. These included the importance of conducting a feasibility study during the inception phase of the projects for each country to identify risks and mitigation measures. Moreover, the evaluation recognized that project impacts may occur long after the project implementation cycle, and therefore the managers should invest in the sustainability of results (e.g., product champions, institutional capacity development, sustainable funding for research activities). Finally, future projects should take steps to ensure wider dissemination (at national and global levels) of successful results through social media, webinars, blogs, newspaper articles, and academic journals.

LEARNING FROM THE IMPLEMENTATION OF WIPO INITIATIVES AIMED AT EMPOWERING WOMEN ENTREPRENEURS

81.   The evaluation was part of the first phase of an impact evaluation of women entrepreneurs' initiatives at WIPO. It was conducted to identify the interventions that would be reviewed during the second phase of the evaluation. This report was also intended to help WIPO managers prioritize initiatives to support women entrepreneurs and assist staff members in their implementation. The mapping exercise provided an overview of WIPO women entrepreneurs initiatives implemented between 2018 and 2022.

82.   The report identified preliminary lessons that could help WIPO enhance its impact on strategic pillars, the new IP Gender Action Plan, Sustainable Development Goals, and, most importantly, the benefits for women entrepreneurs.

ENGAGEMENT STARTED IN 2023 AND REPORTED IN EARLY 2024

AUDIT OF CLOUD MANAGEMENT

83.   The objectives of the audit were to: (i) assess the adequacy of the governance structure and related policies and resources surrounding the management of Cloud services; (ii) verify the effectiveness of risk management practices to assess, among others, threats, and vulnerabilities prior to, and following the implementation of Cloud services; and (iii) assess the effectiveness of controls for Cloud services currently in use with respect to, among other things, information security, namely, the confidentiality, integrity, and availability of WIPO data.

84.   The audit also assessed the current maturity of Cloud management over the three main Cloud service models: Infrastructure as a Service (IaaS), Platform as a Service (PaaS), and Software as a Service (SaaS), to identify opportunities to enhance further the use and management of Cloud services at WIPO.

85.   The audit found that the Organization has defined a strategic direction for the management of Cloud-based services and established a Cloud Hosting Policy, implemented a structured Risk Management Process to manage Service Provider security risks, and taken appropriate measures to ensure Network Security, Data Protection, and Identity and Access Management controls among others.

86.   IOD highlighted best practices to adopt, such as conducting performance reviews and security assessments of strategic Cloud contracts, at least annually, to align with industry best practices. A new tool has been implemented to facilitate this process.

87.   IOD made two recommendations, accepted by Management, which will be implemented in 2024. These relate to ensuring the update of governance documentation and alignment with current practices, as well as the update of the Service Provider Security Risk Management

Manual to clearly distinguish roles and responsibilities between WIPO and Cloud Service Providers.

ENGAGEMENTS STARTED IN 2023 AND TO BE REPORTED IN 2024

AUDIT AND EVALUATION OF PCT OPERATIONS AND CUSTOMER RELATIONS – PART II: RESULTS OF THE EVALUATION OF THE PCT CULTURE OF CUSTOMER SERVICE

88. The specific objectives of the evaluation were to: (i) verify whether the culture of customer service is effectively implemented and aligned with the PCT's related performance objectives, Expected Results, and relevant strategic pillars of the Organization's MTSP; and (ii) identify opportunities to enhance services and customer relations through adaptive learning and behavioral science.

89. The main focus of this verification exercise was the PCT Legal and International Affairs Department, which is responsible for the development of PCT as the central node of the international patent system and for supporting the PCT system stakeholders, including Member States, the user community, intergovernmental and non-governmental organizations.

90. The results of the evaluation will be reported during the second quarter of 2024.

THE IMPACT EVALUATION OF WOMEN ENTREPRENEURS - PHASE TWO

91. The evaluation covered three projects that were selected from an extensive scope of the portfolio on gender entrepreneur projects at the organizational level. The three projects were The Chobe Baskets Project (Botswana), Indigenous and Local Community Women Entrepreneurship Program, and Increasing the Role of Women in Innovation and Entrepreneurship. The results of the evaluation will be reported in 2024.

ADVISORY- BEHAVIORAL SCIENCE (NUDGE) ASSIGNMENT FOR THE ENTERPRISE CONTENT MANAGEMENT COLLABORATION PROJECT

92. The above advisory's objective is to advise on the development of a theory of change for the adoption of IT and digitalization process changes by WIPO staff in the digitalization and sharing of shared drives across the Organization as well as the use of extended capabilities for Teams. The advisory also includes the design of relevant nudges to increase the rate and speed of adoption of IT changes.

93. The theory of change of the advisory was finalized in 2023, and the second part on nudges will be undertaken in the first quarter of 2024.

INVESTIGATIVE ACTIVITIES

CASELOAD OVERVIEW

94. During the reporting period, 37 new complaints were registered (which constitutes a 16 per cent increase from 2022). Out of the registered complaints in 2023, 10 investigations were opened while 23 complaints were closed following a preliminary evaluation. In total, 31 complaints[8] were closed following preliminary evaluation, and 14 full investigations[9] were concluded. As of December 31, 2023, 16 matters were pending, including five complaints at the preliminary evaluation stage, seven investigations, and four matters on hold (due to the unavailability of an investigation participant or pending action by another entity). Of the 16 pending matters, 12 were opened in 2023 and four in 2022.

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[8] Eight complaints were registered in 2022, and 23 were registered in 2023.
[9] One investigation was carried forward from 2020, four from 2021, seven from 2022, and two were opened in 2023.

Table 1 – Analysis of Complaints registered in 2022 and 2023

| S/N	Category of Complaint	2022	2023
1	Abuse of position or status	2	2
2	Abuse of work time	2	4
3	Benefits and Entitlements Fraud or Abuse	2	1
4	Breach of confidentiality	3	1
5	Conflict of interest		2
6	Corruption		1
7	Fraud and/or misrepresentation	1	
8	Harassment (non-sexual), Discrimination	6	12
9	Insubordination and other inappropriate behavior	1	
10	Misuse of WIPO funds or assets	0	1
11	Negligence at work, obstruction to WIPO operations	1	1
12	Other failure to meet the standards of conduct for international civil servants	2	2
13	Procurement irregularities	2	1
14	Recruitment irregularities	3	3
15	Retaliation	1	1
16	Sexual harassment	3	4
17	Unauthorized statements or pronouncements		
18	Unauthorized outside activities		1
19	Wrongdoing by recruitment candidate		
20	Wrongdoing by vendor or other external party	3	
	Total	**32**	**37**

95.   The average time taken to complete investigations during the reporting period was 8.7 months (262 calendar days), which is beyond the target of six months[10] and higher than the average time taken in the previous period of 5.7 months (171 calendar days). The increase in the time taken to complete investigations was attributed to a combination of factors including (i) a consistent increase in the number of new complaints registered since 2021; (ii) staff resource shortages in 2022 and 2023; and (iii) the absence of a Director, IOD, during most of the period under review.

96.   The arrival of the new Director, IOD, the hiring of temporary personnel (individual consultants) to help clear the backlog as of October 2023, and the combined effort by the full team led to a significant increase in the matters concluded during the last quarter of 2023, with 31 complaints closed and 14 investigations exceptionally concluded by the end of December 2023.

97.   These trends and results are summarized in the below chart:

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[10] Investigation Policy paragraph 33.

Chart 1 – Comparative Analysis of Investigative Caseload in 2022 and 2023
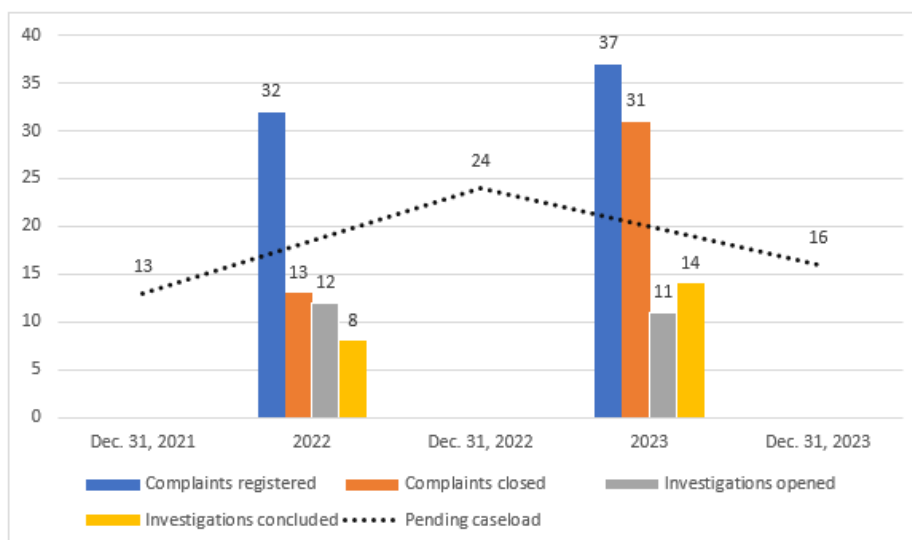
98.   Among the 37 complaints registered during the reporting period, four were referred to the IAOC for its advice in line with the provisions of the IOC.

OUTCOME OF INVESTIGATIVE ACTIVITIES

99.   According to the IOC,[11] the Annual Report shall include a description of those investigative cases found to be substantiated and their disposition. In 2023, there were five investigations in which allegations were found by IOD to be substantiated. Specifically:

(a)   Two investigations implicated WIPO staff members in misuse of organizational assets. In one investigation, after careful consideration of the specific (including mitigating) circumstances of the case, the Director of HRMD decided not to initiate disciplinary proceedings, and close the matter. In the second investigation, following disciplinary proceedings, the Director General decided to dismiss the staff member, pursuant to Staff Rule 10.1.1(6);

(b)   One investigation concerned abuse of work time by a WIPO staff member. Following disciplinary proceedings, the Director General decided to dismiss the staff member, pursuant to Staff Rule 10.1.1(6);

(c)   In one investigation into fraud and misrepresentation of qualifications, the subject resigned from WIPO service as the investigation was ongoing. Therefore, IOD did not recommend disciplinary action, as it was no longer feasible; and

(d)   One case concerning procurement irregularities implicated an individual contractor services provider. The High Level Official in Charge of Procurement, who is the competent authority to take decisions on cases involving WIPO vendors, decided to follow the Vendor Sanctions Committee's recommendation to dismiss this case and to take no action against the Vendor. Given that the HLOP's decision on cases involving WIPO vendors is final, this case is now closed.

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[11] IOC paragraph 48(b).

100. None of the aforementioned substantiated investigations were considered to have a significant financial impact on the Organization. Chart 2 shows the number of investigations substantiated in 2022 and 2023, out of the total number of complaints processed.

Chart 2 – Allegations substantiated out of the total number of complaints processed in 2022 and 2023
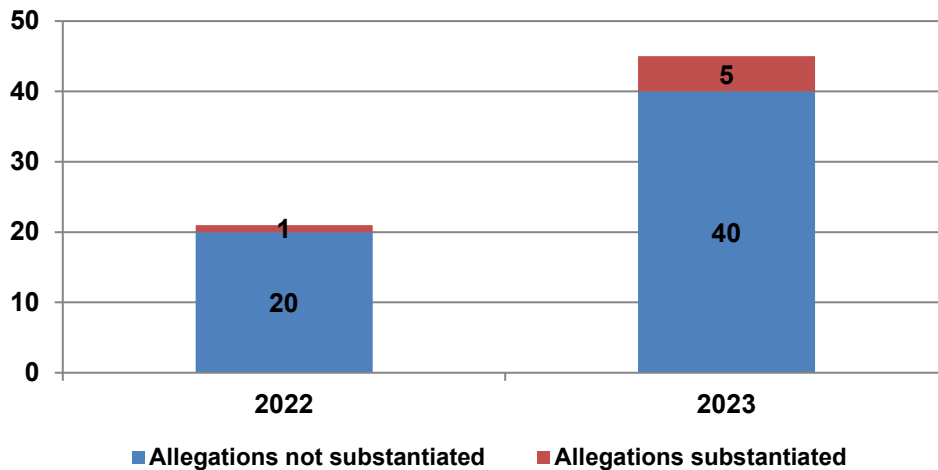
MANAGEMENT IMPLICATION REPORTS (MIR)

101. Three MIRs were issued in the reporting period, relating to (i) obligations applying to staff members with regard to residence in the duty station area; (ii) risks of conflict of interest arising from personal relationships among members of personnel; and (iii) the process and practice of engaging Individual Contractor Services.

ADVISORY OVERSIGHT WORK

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

ADVISORY- ENABLING A MORE INCLUSIVE AND DIVERSE ENVIRONMENT IN THE HUMAN RESOURCES RECRUITMENT PROCESS

103. WIPO is committed to creating a culture that is truly diverse and inclusive, as described in its MTSP for 2022-2026. The UN Secretary-General sees behavioral science as strategically important for achieving its goals and it is a pillar of the UN 2.0's Quintet of Change.[12]

104. As part of this effort, IOD provided advisory services for behavioral science intervention to improve inclusion and diversity in WIPO's recruitment process in line with WIPO's Human Resources Strategy Objective 7 (A diverse and inclusive workforce).

105. The advisory proposed some nudges focusing on reducing the gender gap in the recruitment longlisting process. The report includes solutions based on workshops with HRMD and its staff, insights from the evidence, and the team's understanding of the longlisting process. These all involve making changes to either (i) the application form or (ii) the longlisting process. While it is difficult to estimate the impact in advance accurately, the behavioral scientist's team suggested that removing the requirement to indicate the percentage of working time in past employment in the application form would have the greatest impact since female applicants are much more likely to have worked part-time as compared to male applicants.

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[12] https://www.un.org/two-zero/en

INSTANCES WHERE INFORMATION OR ASSISTANCE WAS REFUSED

106. In accordance with paragraph 48(g) of the IOC, the Director, IOD, should report on any instances where IOD's access to records, personnel, and premises was restricted during the reporting period.

107. IOD reports that there were no instances as described in paragraph 48(g) of the IOC during the reporting period.

STATUS OF IMPLEMENTATION OF OVERSIGHT RECOMMENDATIONS

108. The Director General is responsible for ensuring that all recommendations made by the Director, IOD, and other oversight entities are responded to promptly, indicating actions taken regarding specific findings and recommendations.[13] The Director General discharges this responsibility through Sector Leads and other relevant senior managers responsible for specific operational areas within the Organization.[14] The implementation of all oversight recommendations is subject to regular follow-up by IOD.[15]

109. IOD manages and reports on recommendations using the TeamMate+ system, which enables interactive dialogue with Management for an effective follow-up of the implementation of open recommendations.

110. As of December 31, 2023, there were 59 open recommendations in the IOD audit management system—seven of high priority and 52 of medium priority. Of these, 81 per cent (48) came from IOD, and the remaining 19 per cent (11) relate to recommendations by the External Auditor. Chart 3 below shows the open recommendations by source and priority as at December 31, 2023.

Chart 3 – Open Recommendation by Source and Priority (59)
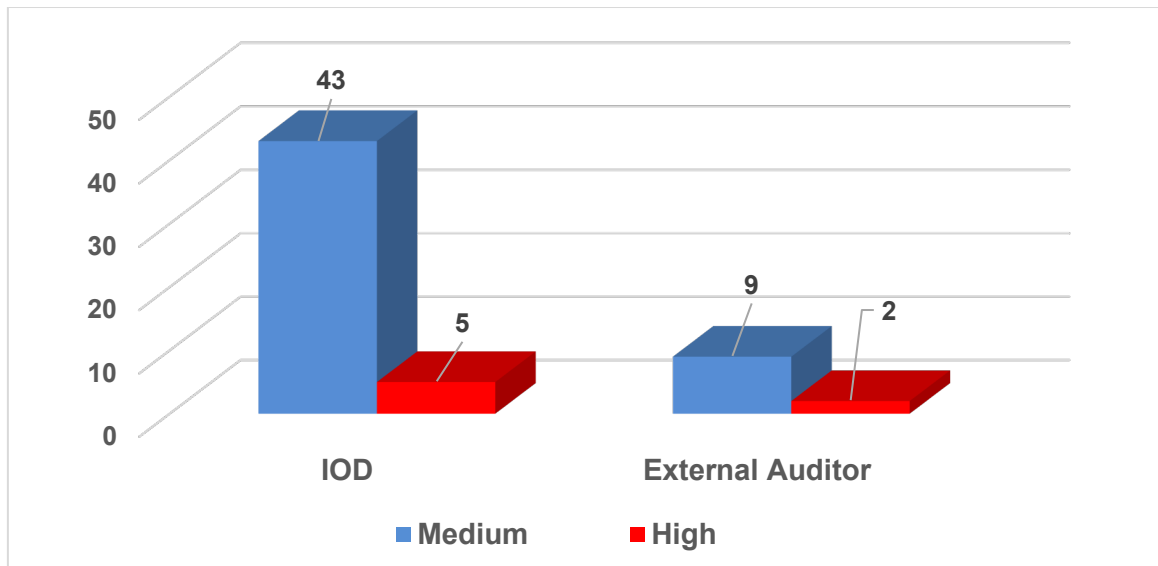
Source: IOD Audit management system

111. From January to December 2023, there were 51 new recommendations added to the audit management system i.e., 45 from IOD engagements and six from the report of the External Auditor. During the same period 86 recommendations were closed, namely, 78 from

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[13] IOC paragraph 45.
[14] OI 16/2010, paragraph 7.
[15] OI 16/2010 paragraph 8.

IOD, seven from the External Auditor, and one from the IAOC. Table 2 below shows the movement of recommendations by source in 2023.

Table 2 – Movement of Recommendations from January 1, 2023, to December 31, 2023

| Source	Open as of January 1, 2023	Added During the Period	Closed During the Period	Open as of December 31, 2023
IOD	81	45	78	48
External Auditor (EA)	12	6	7	11
IAOC	1	0	1	0
Total	**94**	**51**	**86**	**59**

112. The chart below shows the aging of open recommendations, based on the initial year the recommendation should have been implemented. The implementation dates for nine recommendations dating from 2019 - 2022 were rescheduled by Management to 2024. Further, there were 16 recommendations (four of high priority and 12 of medium) that should have been implemented by the end of 2023.

Chart 4 – Aging of Open Oversight Recommendations based on initial Implementation date
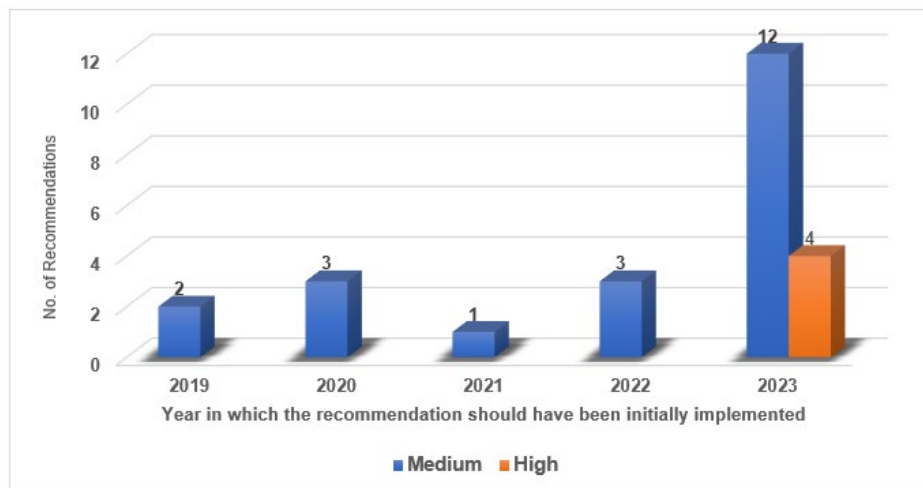
113. As of December 31, 2023, the number of open recommendations by WIPO Sectors and by priority are depicted below:

Chart 5 –Recommendations by Sector and Priority
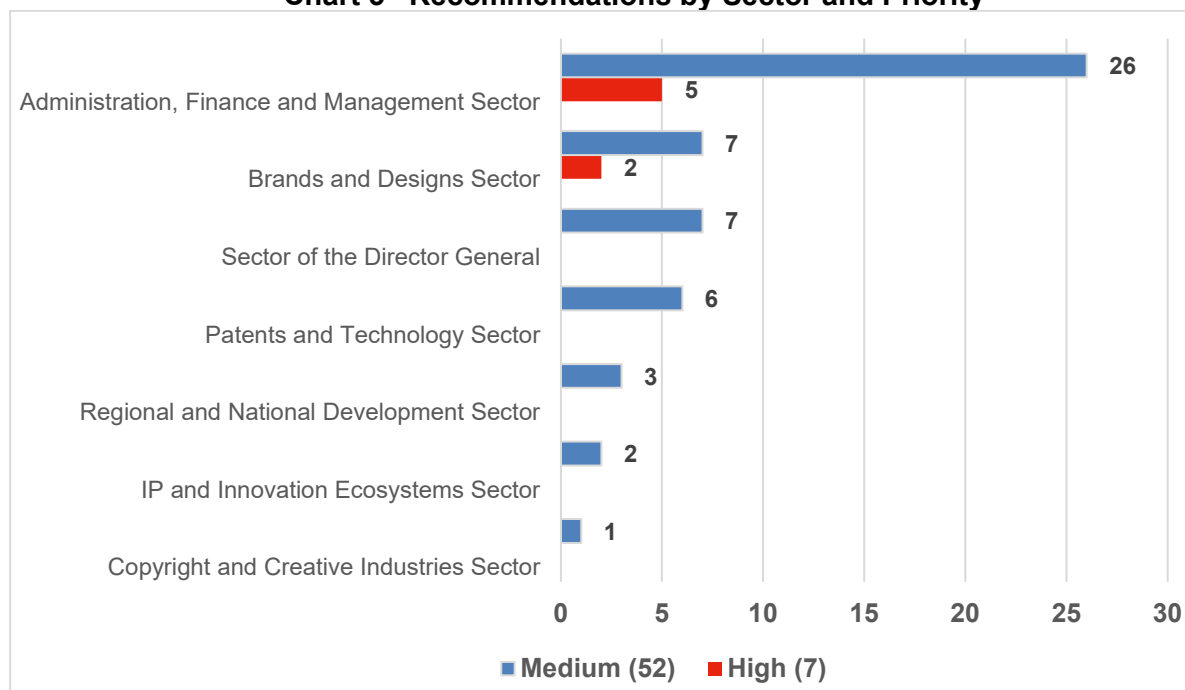
Source: IOD Audit management system, December 2023

114.   The distribution of the open recommendations (59) was as follows: the Administration, Finance, and Management Sector made up 53 per cent, the Brands and Design Sector constituted 15 per cent, the Sector of the Director General made up 12 per cent, while the remaining four Sectors collectively accounted for 20 per cent.

115.   IOD acknowledges the continued support of the IAOC and the Director General, as well as the initiatives taken by the Office of the Controller, in engaging with Management to address open recommendations.

COOPERATION WITH EXTERNAL OVERSIGHT BODIES

THE INDEPENDENT ADVISORY OVERSIGHT COMMITTEE

116.   IOD attended the quarterly IAOC sessions reporting on the implementation of the internal oversight plan, discussing oversight results and other aspects concerning the work and functioning of the Division, and seeking the IAOC's advice, as and when required. In the period covered by this report, four IAOC sessions (68th to 71st) took place.

THE EXTERNAL AUDITOR

117.   IOD maintained good working relations with the External Auditor through regular meetings on audit, internal control, and risk management issues. The External Auditor and IOD shared strategies, annual plans, and individual reports to ensure efficient oversight coverage while avoiding potential duplication and oversight fatigue. IOD actively engaged with the External Auditor during the planning and subsequent implementation of the 2023 engagements and provided its inputs as required. For instance, in 2023, IOD conducted a validation of the ASHI claims, to support the assessment of the ASHI liability by the External Auditor for the purpose of the audit of WIPO financial statements. Further, IOD conducted its second operational audit of a WIPO External Office, namely, the Singapore Office, following a recommendation addressed to IOD in the External Auditor Report for the financial year 2019.

118. IOD is on track to implement the recommendation made by the External Auditor in their report for the financial year 2020,[16] namely, to provide an annual opinion over WIPO's governance, risk management, and control environment. This recommendation is expected to be fully implemented from the year ending December 31, 2025.

OTHER OVERSIGHT WORK

COOPERATION WITH THE OMBUDSPERSON AND THE ETHICS OFFICE

119. During the reporting period, the Officer-in-Charge and, subsequently, the Director, IOD, met with the Ombudsperson and the Chief Ethics Officer to ensure good coordination and complementary support.

OUTREACH ACTIVITIES IN THE ORGANIZATION

120. In its ongoing effort to enhance communication and advocacy for the internal oversight function, IOD consistently engaged WIPO colleagues. This outreach included presentations during induction training for new staff, contributions to the IOD Newsletter, updates on the IOD Dashboard, online training sessions, and presentations to Management and Sector Leads as needed.

NETWORKING WITH OTHER OVERSIGHT FUNCTIONS

121. The IOC includes specific provisions[17] for IOD liaising and cooperating with the internal oversight services of other organizations of the UN system and Multilateral Financial Institutions. IOD recognizes the value and importance of developing relationships with its peers. During the reporting period, IOD continued its active and useful collaboration and networking with other UN system organizations and entities. In particular:

    (a)   IOD continued to participate in the UNEG Executive Committee by engaging with stakeholders and representing the Organization in oversight-related events/discussions and actively participated in the execution of the UNEG annual work plan;

    (b)   IOD attended the Network meeting of Heads of Internal Audit in international organizations in Europe, along with representatives from 35 international organizations, from May 3-6, 2023, at the European Commission in Brussels;

    (c)   IOD attended the Geneva Group meeting hosted by the Permanent Mission of Canada on April 25, 2023. The Geneva Group is an informal group of 17 major contributors to the UN budget, which aims to improve governance and management across the UN system. The group invited the United Nations High Commissioner for Refugees, the International Organization for Migration, the International Telecommunication Union, and WIPO to this round of discussions, which focused on among other things, greater cross-system coherence and coordination on oversight;

    (d)   IOD attended the 15th UNRIAS and 52nd RIAS Conference hosted by the World Bank from August 22 to 25, 2023, at its headquarters in Washington, DC. The conference focused on high-priority areas, including innovation, cybersecurity, Artificial Intelligence, data governance, risk management, and the UN Strategic Radar; and

    (e)   IOD attended the annual meetings of the Conference of International Investigators and United Nations Representatives of Investigative Services hosted by the European Bank for Reconstruction and Development in London, United Kingdom, from November 8 to 10, 2023. On those occasions, IOD conducted workshops and presentations on (i)

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[16] (WO/PBC/33/5) Report of the External Auditor for the financial year 2020 to the 62nd Series of Meetings of the Assemblies of the Member States of WIPO (also known as the "long form report").
[17] IOC paragraph 28(g).

retaliation cases, (ii) case intake and management systems, and (iii) addressing allegations brought against executive heads.

IOD QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

122. The Quality Assurance and Improvement Program (QAIP) of IOD is designed to provide reasonable assurance to various stakeholders[18] that oversight activities are performed in conformity with the IOC, the respective Standards and professional practices of each function, operate effectively and are perceived by stakeholders as adding value and continually improving. The areas outlined below are covered in the QAIP.

OPERATIONAL INDEPENDENCE OF IOD

123. The IOC requires[19] the Director, IOD, to confirm the organizational independence of the internal oversight function and to provide information on the scope of the internal oversight activities and the adequacy of resources for the purposes intended.

124. During the reporting period, no instance/activity occurred that could be considered as jeopardizing the operational independence of IOD. There was no actual or perceived interference in the work of IOD. The scope of oversight activities was decided by IOD based on risk assessment, comments, and feedback received from Management, the IAOC, and the Member States, as appropriate.

ONGOING MONITORING AND KEY PERFORMANCE INDICATORS

125. Ongoing monitoring of the performance of oversight activity refers to the day-to-day supervision, review, and measurement of internal audit activity that is built into the IOD policies, manuals, and routine procedures. An engagement management system (TeamMate+) is used to operationalize manuals, processes, and procedures, including supporting document filing, materialization of reviews and approvals, and recommendation follow-up and reporting.

126. Furthermore, IOD has established Performance Indicators to measure the effectiveness, efficiency, and relevance of oversight activities. These include, among other things, the average timeline for completing engagements, internal stakeholders' perception of the work of IOD, and the level of acceptance and relevance of the IOD recommendations. The table below summarizes the results.

Table 3 - 2023 IOD Performance Indicators

Performance Indicator	Target	Results
No interference and perceived independence by key stakeholders	No Interference	No Interference was observed during the period
The average timeline for completing engagements	Internal Audit: 4.5 months	4.4 months
	Evaluations: 6 months	5.3 months
	Investigations: 6 months	8.7 months
	Joint Engagements: 6 months	5.5 months
% of internal stakeholders who perceive that IOD recommendations are SMART[20]	80%	88% of managers perceived that IOD recommendations were SMART
% of internal stakeholders who perceive that Oversight work is Relevant	80%	79% of respondents perceived that Oversight work was relevant
No. of oversight recommendations accepted	90%	100% of IOD recommendations accepted

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[18] The main stakeholders include the Director General, WIPO Managers, the IAOC, Member States, the External Auditor, and the public at large.
[19] IOC paragraph 48(i).
[20] SMART: Specific, Measurable, Achievable, Relevant, and Time-Bound.

127. Indicators continue to show a high acceptance of the relevance of IOD's work and the pertinence of the recommendations made. The average timeline for completing engagements remains at or close to the target.

SATISFACTION SURVEY

128. IOD continued to seek feedback from colleagues of audited and evaluated organizational units through client satisfaction surveys after each engagement. This aims to receive and analyze feedback from colleagues on oversight work. At the end of 2023, the consolidated analysis of survey results indicates a satisfaction rate of 91 per cent.[21]

129. The results of surveys conducted at least one year after the completion of the engagement and when at least 70 per cent of recommendations have been implemented, indicated an average satisfaction rate of 76 per cent.[22] This survey is used to assess the impact and outcome of implemented recommendations on the program. Additional comments sent by the audited/evaluated units through the surveys helped IOD identify opportunities for improvement and take corrective actions. IOD will continue to strive towards enhancing the value of its oversight work.

PERIODIC INTERNAL AND EXTERNAL ASSESSMENTS

130. Each function of IOD undertakes biennial self-assessments and/or external assessments (every five years) to determine whether the functions of IOD carry out their duties effectively and efficiently and in conformance with relevant Standards, Professional Practices, and the related code of ethics. Elements of the quality program for IOD can be found in relevant manuals, guidelines, and operating procedures.

131. The results of the External Assessments conducted for each function of IOD were reported in the Annual Report for 2020, and related recommendations are being implemented.

132. As per paragraph 4 of the IOC, IOD performed a Periodic Self-Assessment (PSA) of the internal audit function as required by Standard 1311 of the International Standards for the Professional Practice of Internal Auditing. The report was issued in May 2023 and discussed with the IAOC during its 69th session.

133. All three recommendations from the PSA were implemented in 2023. The IAOC reviewed and commented on the draft Procedures on the Management of Recommendations and the Standard Operation Procedures for Joint Engagements during the discussions at its 70th session. The current reporting template was modified to reflect the IIA terminology. The reminders to auditees to update the status of their implementation of recommendations and client satisfaction surveys were automated.

INTERNAL OVERSIGHT RESOURCES

BUDGET AND STAFFING

134. To discharge its mandate, the 2023 budget of IOD amounted to 2.97 million Swiss francs, which represents 0.75 per cent of WIPO's budget (398 million Swiss francs)[23] for the same period (IOD - 2022: 0.69 per cent, WIPO - Annual budget: 395.7 million Swiss francs).   In 2023, the actual expenditure was 2.97 million Swiss francs. The budget utilization on personnel costs stood at 102 per cent, while that of non-personnel costs was 90 per cent. Chart 6 below shows the budget and expenditure analysis, position grade, and gender mix of IOD personnel in 2023.

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[21] IOD received responses to six surveys for engagements conducted in 2023.
[22] IOD received responses to eight surveys in 2023.
[23] https://www.wipo.int/edocs/pubdocs/en/wipo_pub_360_pb22_23.pdf, Annex VIII, Annual budget 2022/23

Chart 6 – 2023 IOD Budget/Expenditures[24] and Personnel

	2023 Approved Budget (Sfr.)	2023 Expenditure[25] (Sfr.)	Budget Utilization
Personnel Resources	2,480,000	2,528,245	102 %
Non-personnel Resources	489,300	439,010	90 %
Total	**2,969,300**	**2,967,255**	**100 %**

Source: WIPO Enterprise Performance Management System

Source: WIPO Business Intelligence, HRMD dashboard

135. Overall, the human and financial resources were adequate for IOD to effectively cover the high-priority areas as identified in its 2023 work plan. Utilizing non-personnel resources, coordinating oversight activities with the External Auditor, and leveraging IT tools enhanced efficiency and effectiveness in addressing risk areas.

TRAINING AND CONTINUING PROFESSIONAL EDUCATION

136. The continued professional development of IOD's staff is essential to its capacity to deliver and effectively support the Organization. Per WIPO's training policy, IOD establishes an annual training plan for staff members to attend various training activities to acquire new knowledge, technical skills, and other competencies to increase operational effectiveness and efficiency in undertaking oversight assignments. On average, each IOD staff member attended 10 training days in 2023.

WAY FORWARD - 2024 AND BEYOND

137. IOD wishes to thank the IAOC, the Director General, the Sector Leads, and staff members for their continuous support, which enabled the Division to successfully carry out its mandate in 2023.

138. Under the leadership of the new Director, IOD will implement a number of initiatives in 2024 aimed at improving its services, enhancing effectiveness and efficiency, and engaging with various stakeholders. These include the following key initiatives, which are already being deployed:

INTERNAL AUDIT SECTION

139. The IIA issued the new Global Internal Audit Standards on January 9, 2024, effective January 9, 2025, with early adoption encouraged. IOD has opted for early adoption and will update its Internal Audit Manual, Policy, and Charter as applicable.

140. In line with the above Standards, IOD will include an engagement conclusion for every audit report issued in 2024. In addition, from the year ending December 31, 2025, the Director, IOD will annually issue an overall opinion on the Statement of Internal Control of WIPO. Towards this end, alongside other planned audits, IOD is undertaking a pilot run by testing the

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[24] Source: WIPO EPM; figures in Swiss francs.
[25] The expenditure for 2023 is unaudited.

design, implementation, and operating effectiveness of key organizational controls derived from the Financial Regulations and Rules and the Staff Regulations and Rules.

INVESTIGATION SECTION

141. As part of a regular, periodic review of its rules and procedures, IOD will review the Investigation Manual and Policy to specify the intake process and include information on existing informal conflict resolution mechanisms before escalating relevant matters for formal investigation.

EVALUATION SECTION

142. The Evaluation Manual and Policy will be updated to include the various types of projects implemented under the MTSP 2022-2026 and the type of evaluations applicable to them to facilitate early learning, accountability, and decision-making for program managers and the Organization.

143. In line with the IOD's QAIP, the Evaluation Section will undergo a UNEG Peer Review. The UNEG Peer Reviews aim to systematically assess the maturity of an evaluation function in terms of independence, credibility, and utility.

LEARNING AND COLLABORATION

144. IOD will leverage its network with Geneva-based UN agencies to undertake relevant joint training and learning activities whenever applicable. In addition, specific and targeted training will be undertaken by IOD staff to skill and re-skill as required on emerging trends, risks, and methodologies for effective oversight service delivery.

145. For continuous and proactive engagement with internal stakeholders, IOD will facilitate knowledge management sessions with different teams within WIPO for a better understanding of the IOD oversight role while gaining invaluable actionable feedback from its stakeholders.

146. IOD looks forward to working closely with the IAOC, the Director General, Sector Leads, and WIPO personnel to achieve the Organization's objectives and key results as set out in the MTSP 2022-2026, whilst continuing to strengthen its contribution to governance, risk management, internal control processes, decision-making and oversight, reputation and credibility with its stakeholders, and ability to serve the public interest.

[Annex follows]

ANNEX - List of IOD Reports

IOD reports issued from January 1, 2023 to December 31, 2023	Ref.	Report Issuance Date
Joint Engagement		
Audit and Evaluation of the Office of the Legal Counsel	IA 2022-04	February 16, 2023
Internal Audit Engagements		
Audit and Evaluation of the Patent Cooperation Treaty (PCT) Operations and Customer Relations - Part I: Audit of PCT Operations	IA 2022-05	April 12, 2023
Audit of the WIPO Global Innovation Index (GII)	IA 2022-03	April 14, 2023
Validation of the After-Service Health Insurance (ASHI)	IA 2023-06	April 20, 2023
Review of the WIPO Singapore Office	IA 2023-03	December 15, 2023
Audit of the Madrid Registry	IA 2023-01	December 19, 2023
Audit of the Implementation of the WIPO Data Privacy Policy and Standards	IA 2023-04	December 20, 2023
Evaluation Engagements		
Learning from the Implementation of WIPO Initiatives aimed at Empowering Women Entrepreneurs	EVAL 2022-03	May 17, 2023
Advisory: Enabling a more inclusive and diverse environment in the Human Resources Recruitment Process	EVAL 2023-04	November 23, 2023
Management Implication Reports		
Management Implication Report on Staff members' obligations related to residence in the duty station area	MIR 2022.10	January 19, 2023
Management Implication Report on Private relationships among members of personnel	MIR 2023-01	May 8, 2023
Management Implication Report on Individual Contractor Services engagement process and practice	MIR 2023-07	November 20, 2023
IOD report issued in early 2024		
Audit of Cloud Management	IA 2023-02	January 31, 2024

[End of Annex and of document]