

**Consultative Committee**

CC/95/2

**Ninety-Fifth Session  
Geneva, November 1, 2018****Original:** English  
**Date:** August 6, 2018**INTERNAL OVERSIGHT AND THE WIPO INDEPENDENT ADVISORY OVERSIGHT COMMITTEE (IAOC)***Document prepared by the Office of the Union**Disclaimer: this document does not represent UPOV policies or guidance*

1. The purpose of this document is to report on matters concerning internal oversight and the WIPO Independent Advisory Oversight Committee (IAOC).

**BACKGROUND**

2. At its seventy-ninth session, held in Geneva on March 26, 2010, the Consultative Committee recommended to the Council, at its forty-fourth ordinary session, held in Geneva on October 21, 2010, to request the WIPO Internal Audit and Oversight Division (IAOD) (now WIPO Internal Oversight Division - IOD) to conduct independent internal audit, inspections and investigations of UPOV in accordance with the provisions, applied *mutatis mutandis*, of the WIPO Internal Audit Charter (now WIPO Internal Oversight Charter). The Consultative Committee recommended to the Council not to establish an audit committee for the time being and requested the Secretary-General to transmit the WIPO Audit Committee's (now Independent Advisory Oversight Committee (IAOC)) on IAOD to the Consultative Committee (see document C/44/13 "Audit Committee", paragraph 5).

3. On the above basis, at its forty-fourth ordinary session, the Council:

(a) adopted document UPOV/INF/10/1 "Internal Audit" (see document C/44/17 "Report", paragraph 26) (see [http://www.upov.int/edocs/infdocs/en/upov\\_inf\\_10\\_1.pdf](http://www.upov.int/edocs/infdocs/en/upov_inf_10_1.pdf)); and

(b) decided not to establish an audit committee for the time being and to request the Secretary-General to transmit the WIPO Audit Committee's report on the WIPO Internal Audit and Oversight Division to the Consultative Committee (see document C/44/17 "Report", paragraph 14).

**INTERNAL OVERSIGHT**

4. Document UPOV/INF/10/1 "Internal Audit" provides as follows: "The Council, at its forty-fourth ordinary session, held in Geneva, on October 21, 2010, requested the Internal Audit and Oversight Division (IAOD) of the World Intellectual Property Organization (WIPO) to conduct independent internal audit, inspections and investigations of UPOV in accordance with the provisions, applied *mutatis mutandis*, of the WIPO Internal Oversight Charter."

5. The "WIPO Internal Oversight Charter" and the policies and procedures governing internal audit and investigation activities and evaluations are available at <http://www.wipo.int/about-wipo/en/oversight/iaod/index.html>.

6. The "WIPO Internal Oversight Charter" states that the annual work plan shall be based, where relevant, on a risk assessment to be carried out at least annually, on which basis work would be prioritized." The risk model developed by IOD is available at [http://www.wipo.int/export/sites/www/about-wipo/en/oversight/iaod/pdf/risk\\_assessment\\_methodology.pdf](http://www.wipo.int/export/sites/www/about-wipo/en/oversight/iaod/pdf/risk_assessment_methodology.pdf) and it takes into account the following criteria:

- Materiality – High monetary value and/or volume of transactions;
- Past audit coverage;
- Past Audit results;
- Degree of Organizational and Management Change;
- Function criticality (core/non-core);
- Financial exposure of the area being audited;
- Inherent risk of the area being audited;
- Management/ WIPO Independent Advisory Oversight Committee (IAOC)/WIPO Member States concerns; and
- Historical data on fraud/wrongdoings.

7. A significant factor in the risk assessment of UPOV is that services rendered by WIPO to UPOV under the “Agreement between the World Intellectual Property Organization and the International Union for the Protection of New Varieties of Plants (WIPO/UPOV Agreement)” (see document UPOV/INF/8 at [http://www.upov.int/information\\_documents/en/](http://www.upov.int/information_documents/en/)) are covered by internal audit or evaluation at WIPO. On the basis of the risk assessment of UPOV, there was no internal audit or evaluation of UPOV in 2017. The Secretary-General has not been made aware of the need for any investigations in UPOV in 2017.

8. At its ninetieth session held in Geneva, on October 28 and 29, 2015, the Consultative Committee considered document CC/90/4 “Presentation by the WIPO Internal Oversight Division” and received a presentation by Mr. Tuncay Efendioglu, Acting Director, WIPO Internal Oversight Division (IOD). The Consultative Committee agreed to request IOD to conduct an evaluation in 2016-2017 of the program of activities of UPOV (see document CC/90/19 “Report on the Conclusions”, paragraphs 40 and 41).

9. The IOD evaluation, which was conducted between January and June 2016, was based on a review of the activities in the 2014-2015 biennium. The Consultative Committee, at its ninety-second session, held in Geneva on October 27, 2016, considered the IOD Evaluation Report (see document CC/92/4 “Evaluation Report by the WIPO Internal Oversight Division (IOD)” and document CC/92/21 “Report”, paragraph 33).

10. The Council, at its fiftieth ordinary session, held in Geneva on October 28, 2016, received a presentation on the “Evaluation of the International Union for the Protection of New Varieties of Plants (UPOV)” (Evaluation Report), conducted by the IOD in 2016. The Evaluation Report has been published on the UPOV website (see document C/50/20 “Report”, paragraph 11).

11. In response to the recommendation presented in the Evaluation Report, the Consultative Committee, at its ninety-second session, approved the proposal of the Office of the Union to prepare a draft Strategic Business Plan to be presented to the Consultative Committee in October/November 2017 (see document CC/92/21 “Report”, paragraph 38). The Consultative Committee considered this matter, at its ninety-fourth session, held in Geneva on October 25, 2017, under the agenda item “Draft Strategic Business Plan (document CC/94/3)”.

12. The Consultative Committee, at its ninety-fourth session, approved the Draft Strategic Business Plan, as presented in the Annex to document CC/94/3 (see document CC/94/18 “Report on the Conclusions”, paragraph 42).

#### REPORTS OF THE WIPO INDEPENDENT ADVISORY OVERSIGHT COMMITTEE

13. The Consultative Committee, at its eighty-third session, held in Geneva on March 30, 2012, “decided to include a standard item in the agendas of the March/April sessions of the Consultative Committee entitled ‘Reports of the WIPO Independent Advisory Oversight Committee’. The Consultative Committee agreed that, if a Consultative Committee session was not held in March/April, the item would be included in the relevant session of the Consultative Committee in October” (see document CC/83/8 “Report”, paragraph 15).

14. The quarterly reports for 2017 of the IAOC (formerly WIPO Audit Committee) (documents WO/IAOC/44/2, WO/IAOC/45/2, WO/IAOC/46/2 and WO/IAOC/47/2 are available at <http://www.wipo.int/about-wipo/en/oversight/iaoc/>. There is no reference to UPOV in the IAOC quarterly reports for 2017.

15. The terms of reference of the IAOC, paragraph 19, provide as follows: "Based on its review of the internal oversight and external audit functions of WIPO and its interactions with the Secretariat, the IAOC shall submit an annual report to the Program and Budget Committee and to the WIPO General Assembly." The Annual Report of the IAOC, covering the period July 1, 2016, to July 6, 2017 (document WO/PBC/27/2), is available at: [http://www.wipo.int/meetings/en/doc\\_details.jsp?doc\\_id=380996](http://www.wipo.int/meetings/en/doc_details.jsp?doc_id=380996).

16. *The Consultative Committee is invited to:*

*(a) note that, on the basis of the risk assessment of UPOV, there was no internal audit or evaluation of UPOV in 2017;*

*(b) note that the Secretary-General has not been made aware of the need for any investigations in UPOV in 2017; and*

*(c) note the information contained in the IAOC quarterly reports for 2017 (documents WO/IAOC/44/2, WO/IAOC/45/2, WO/IAOC/46/2 and WO/IAOC/47/2), and in the IAOC Annual Report 2016-2017 (document WO/PBC/27/2).*

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