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**INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS**

Geneva

**CONSULTATIVE COMMITTEE****Eighty-Seventh Session  
Geneva, April 11, 2014**

## REPORTS OF THE WIPO INDEPENDENT ADVISORY OVERSIGHT COMMITTEE

*Document prepared by the Office of the Union**Disclaimer: this document does not represent UPOV policies or guidance*

1. 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) 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 report on IAOD to the Consultative Committee (see document C/44/13 "Audit Committee", paragraph 5).

2. 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 AUDIT

3. 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."

4. The "WIPO Internal Oversight Charter" and the policies and procedures governing internal audit activity, which are contained in the "Internal Audit Manual", are available at <http://www.wipo.int/about-wipo/en/oversight/iaod/index.html>.

5. The "WIPO Internal Oversight Charter" states that "work plans of the Director, IAOD shall be based on a risk assessment, to be carried out at least annually, on which basis work would be prioritized by the Director, IAOD." The risk model developed by IAOD is available in the "Internal Audit Manual" and takes into account the following criteria:

- Materiality – High monetary value and/or volume of transactions;
- Past audit coverage;
- Degree of Organizational and Management Change;
- Essential functions;
- Financial exposure of the area being audited;
- Inherent risk of the area being audited;
- Existence of Fall Back Arrangements;
- Complexity and maturity of IT systems.

6. 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 at WIPO. On the basis of the risk assessment of UPOV, there was no internal audit of UPOV in 2013 and the annual work plan of IAOD for 2014 does not include an internal audit of UPOV.

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7. The Consultative Committee, 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” (document CC/83/8 “Report”, paragraph 15).

8. The quarterly reports for 2013 of the WIPO Independent Advisory Oversight Committee (IAOC) (formerly WIPO Audit Committee) (documents WO/IAOC/28/2, WO/IAOC/29/2, WO/IAOC/30/2 and WO/IAOC/31/2) are available at <http://www.wipo.int/about-wipo/en/oversight/iaoc/>. There is no reference to UPOV in the IAOC quarterly reports for 2013.

9. At its twenty-third session, held from November 1 to 4, 2011, the IAOC agreed that “it will issue an annual report in time for review by the PBC [WIPO Program and Budget Committee] at its September session, in order to provide Member States with greater in-depth analysis on thematic areas. The IAOC further agreed that its quarterly reports will contain a summary of discussions” (document WO/IAOC/23/2 “Report”, paragraph 19). The Annual Report of the IAOC, covering the period September 1, 2012 to August 31, 2013 (document WO/GA/43/5) is available at <http://www.wipo.int/about-wipo/en/oversight/iaoc/>. As reported, at the eighty-fifth session of the Consultative Committee, held in Geneva on March 22, 2013, on December 13, 2012, “[t]he IAOC benefited from a presentation on the International Union for the Protection of New Varieties of Plants (UPOV), which clarified that UPOV does not fall within IAOC’s mandate” (see document WO/GA/43/5 “Report of the WIPO Independent Advisory Oversight Committee (IAOC)”, paragraph 54, and document CC/85/11 “Report”, paragraph 35).

10. *The Consultative Committee is invited to:*

(a) *note that, on the basis of the risk assessment of UPOV, there was no internal audit of UPOV in 2013 and the annual work plan of IAOD for 2014 does not include an internal audit of UPOV;*

(b) *note the information contained in the IAOC quarterly reports for 2013 (documents WO/IAOC/28/2, WO/IAOC/29/2, WO/IAOC/30/2 and WO/IAOC/31/2), and in the IAOC Annual Report 2012-2013 (document WO/GA/43/5); and*

(c) *consider changing the title of the standard item to “Internal Audit and Reports of the WIPO Independent Advisory Oversight Committee”.*