

Consultative Committee**CC/98/13****Ninety-Eighth Session
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UPOV ACCOUNTABILITY FRAMEWORK*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 present the UPOV Accountability Framework, forming the first comprehensive view of the components that provide assurance of UPOV's system of governance and accountability to members of the Union, customers and other stakeholders.

BACKGROUND

2. UPOV's Accountability Framework draws on the practice of the World Intellectual Property Organization (WIPO). In September 2014, the WIPO Accountability Framework (WO/PBC/22/12) provided the first comprehensive view of the components that provide assurance of WIPO's system of governance and accountability to its Member States, customers and other stakeholders. WIPO's Accountability Framework is informed by the Joint Inspection Unit's (JIU) report Accountability Frameworks in the United Nations System (JIU/REP/2011/5), together with the benchmarks contained therein.

3. The concept of accountability is defined in the United Nations General Assembly (UNGA) Resolution (A/RES/64/259) in paragraph 8 as follows:

“Accountability is the obligation of the Secretariat and its staff members to be answerable for all decisions made and actions taken by them, and to be responsible for honoring their commitments, without qualification or exception.”

4. *The Consultative Committee is invited to note the UPOV Accountability Framework.*

[Annex follows]

UPOV ACCOUNTABILITY FRAMEWORK

INTRODUCTION

1. The UPOV Accountability Framework (hereafter “the Framework”) draws on best practices from the public and private sectors, in particular the Committee of Sponsoring Organizations of the Treadway Commission’s (COSO) Internal Control - Integrated Framework 2013. The Framework incorporates five COSO components: control environment; risk management¹; control activities; information and communication; and monitoring. Additionally the Framework includes components for planning and for ethics.
2. The Framework is also expressed in terms of the Three Lines Model (TLM)². In this model, operational managers are defined as the “first line” – those who own and manage risks and controls during implementation (*Performance and Risk Management*). The “second line” is comprised of the *Control Activities*, established by the management of the Organization to strengthen and monitor the first line of defense controls. As a part of the *Oversight, Monitoring, and Response Mechanisms*, the WIPO Internal Oversight Division (IOD) are the “third line”, while External Audit, and the Council of UPOV provide further oversight.
3. The Agreement between the World Intellectual Property Organization and the International Union for the Protection of New Varieties of Plants (WIPO/UPOV Agreement)³, signed on November 26, 1982, states that WIPO shall satisfy the requirements of UPOV as regards personnel and financial administration of UPOV. WIPO introduced its own Accountability Framework initially in 2014, with an update in 2019 in order to present to all stakeholders the comprehensive assurance environment in one overarching document.

¹ This document uses the term ‘risk management’ in place of COSO’s ‘risk assessment’ in order to demonstrate the full lifecycle of the management of risks.

² [The IIA’S Three Lines Model](#) - An update of the Three Lines of Defense, 2020

³ See document [UPOV/INF/8](#).

THE UPOV ACCOUNTABILITY FRAMEWORK

4. The UPOV Accountability Framework (Figure 1) brings together the various Organizational accountability elements under seven broad areas. In the model, the five COSO framework elements are underlined.

- (i) Component 1. *Results Based Planning* puts in place results based management processes, driven by a biennial program and budget approved by its members.
- (ii) Component 2. *Performance and Risk Management* ensures that the Organization delivers planned results and ensures business continuity of its operations.
- (iii) Component 3. *Oversight, Monitoring and Response Mechanisms* includes the processes and entities that provide external and internal assurance for the Organization.
- (iv) Component 4. Control Activities provides the control framework, compliance monitoring and validation of the management controls and processes of component 3.
- (v) Component 5. Information and Communication ensures that full recording, classification and documentation of transactions and events is undertaken reliably and accurately in order to enable full and transparent reporting to stakeholders on the Organization's activities as well as the functioning of its controls.
- (vi) Component 6. *Ethical Standards and Integrity* sets out the values and importance the Organization places on a culture expressed in the WIPO Code of Ethics, and reinforced with policies and procedures.
- (vii) Component 7. Control Environment sets out the overall mandate of the Organization and its commitment to delivery to members, stakeholders and users of UPOV's services, alongside the governance structure and values on which all of the preceding components are founded.

UPOV Accountability Framework

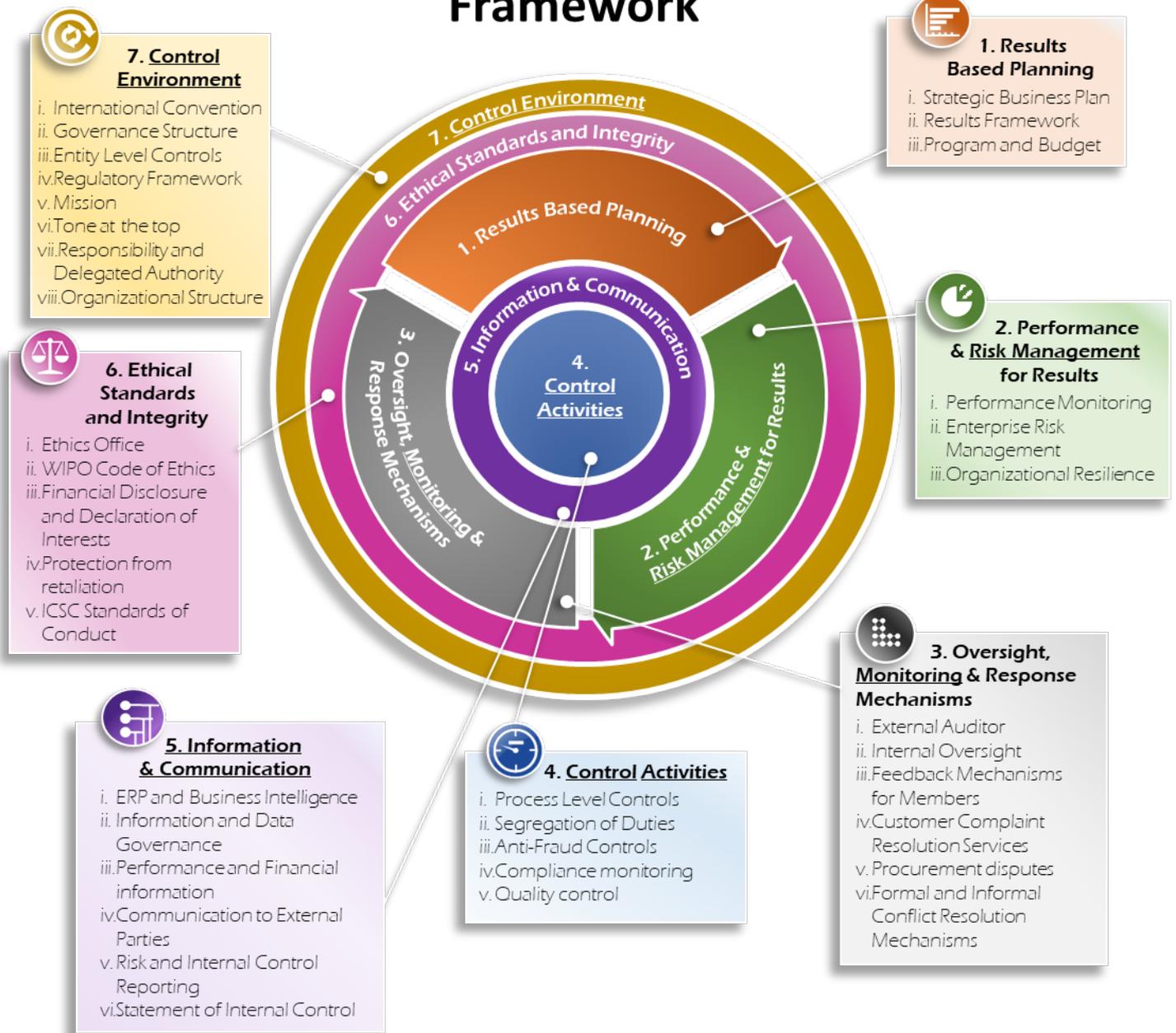


Figure 1: The UPOV Accountability Framework

COMPONENT 1 – RESULTS BASED PLANNING



5. The first component of the Framework encapsulates UPOV's Results Based Planning process.

6. The **Strategic Business Plan** (SBP) lays out the priorities and income sources for UPOV for the period and is used to guide direction of work. The **Results Framework**, presented in the Organization's Program and Budget consists of four sub-programs together with Expected Results. The contribution of sub-programs to Expected Results is defined through performance indicators.

7. The Council of UPOV examines and approves the biennial **Program and Budget**⁴ that sets out how resources are allocated to the Sub-Programs for the achievement of Expected Results.

COMPONENT 2 – PERFORMANCE AND RISK MANAGEMENT

8. The second component of the Framework comprises the implementation and performance monitoring of biennial and annual plans.



9. **Performance Monitoring** is undertaken throughout the budget period, allowing the Organization to undertake remediation measures if required, to address external factors, unexpected changes to priorities, or delays in progress. Together with management controls, performance monitoring represents the first line of the TLM, where the UPOV Vice Secretary-General is accountable for ensuring that work is undertaken in accordance with the approved Program and Budget. The Performance Management and Staff Development System (PMSDS), sets individual work objectives that contribute to the organizational Expected Results for each staff member.

10. **Enterprise Risk Management** (ERM) is performed to manage uncertainty with respect to achieving results as laid out in the Program and Budget, and in line with the Organization's regulatory framework and ethical and integrity standards. The UPOV Secretariat's (Office of the Union's) risk management processes are defined in the WIPO Policy on Risk Management. Standard operating procedures are documented in the WIPO Risk and Internal Controls Management Manual.

11. Information Security Policies and Standards provide the necessary directives for secure management of UPOV's information assets. Staff are also made aware of security threats and acceptable security behaviors through an annual information security awareness and education program.

12. Consistent with the UN Security Management System, WIPO provides UPOV with continuous professional safety and security risk management services in the implementation of its broad Duty of Care responsibilities to staff and personnel working across UPOV's operations, including in high-risk environments if operational needs so dictate. The WIPO Security Management System on which UPOV relies has been in place since 2008⁵, and has been developed using as guidance the Framework for accountability for the United Nations Security Management System⁶.

13. WIPO and through extension, UPOV, has adopted the UN Secretariat's Policy on the **Organizational Resilience** Management System (ORMS)⁷, which is a common emergency management framework applied across all organizations in the UN system.

⁴ Article 26(5) of the [1991 Act of the UPOV Convention](#) (UPOV Publication 221)

⁵ [A/46/11](#)

⁶ See document [UN Security Policy Manual](#), Section A

⁷ See document [CEB/2014/HLCM/17](#)

COMPONENT 3 – OVERSIGHT, MONITORING AND RESPONSE MECHANISMS



3. Oversight, Monitoring & Response Mechanisms

- i. External Auditor
- ii. Internal Oversight
- iii. Feedback Mechanisms
for Members
- iv. Customer Complaint
Resolution Services
- v. Procurement disputes
- vi. Formal and Informal
Conflict Resolution
Mechanisms

14. The third component of the Framework encompasses the oversight, monitoring and response mechanisms. UPOV aims to continue to improve responsiveness to all its stakeholders, including members, users of UPOV's services, and the general public.

15. The **External Auditor** provides an opinion on UPOV's financial statements and on compliance with the regulatory framework of the Organization.

16. There is a synergy with WIPO Internal Oversight Division (IOD) performing the audits of UPOV and WIPO⁸. The WIPO **Internal Oversight Division** (IOD) is the independent internal oversight body, which examines and evaluates, in an independent manner, UPOV and WIPO's control systems, business systems and processes in order to assess performance, compliance and to identify good practices, with a view to determining the effectiveness of risk management and internal controls in order to provide recommendations for improvement. IOD reports and recommendations concerning UPOV are reported to UPOV members. IOD represents the third line of the TLM.

17. **Feedback Mechanisms for Members** include surveys and direct contact with the Office of the Union, through, *inter alia*, informal consultations.

18. **Customer Complaint Resolution Services** are provided through the Office of the Union.

19. Procurement is undertaken through WIPO, and **disputes arising out of Procurement activities** are settled in accordance with the relevant contractual terms, including UPOV's General Conditions of Contract for the provision of goods and services.

20. For UPOV staff, a number of **Formal and Informal Conflict Resolution Mechanisms** are relevant, through WIPO's provision:

(i) Informal conflict resolution mechanisms include (a) the WIPO Office of the Ombudsperson; (b) the WIPO Human Resources Management Department (HRMD) or a UPOV higher level supervisor; and (c) any other informal mechanism established by the UPOV Secretary-General. Through WIPO, UPOV has the Guide to a Respectful and Harmonious Workplace and also workshops on diversity, inclusion and avoiding unconscious bias.

(ii) The WIPO Ethics Office (see *Ethical Standards and Integrity*) also provides confidential guidance to UPOV's staff on issues that may present ethical dilemmas to them.

(iii) The Organization's Staff Regulations and Rules (SRR)⁹ (see *Control Environment*) set out formal mechanisms for the challenge of administrative decisions. The WIPO Appeal Board is an administrative body with staff participation, established to advise the UPOV Secretary-General whenever a staff member, a former staff member or a duly qualified beneficiary to the rights of a deceased staff member, appeals against an administrative decision. After having exhausted all means available to him or her under Regulations 11.4 and 11.5 of the SRR, a staff member has the right to appeal to the Administrative Tribunal of the International Labour Organization ("Tribunal") in accordance with the conditions set forth in the Statute and Rules of that Tribunal.

⁸ See document [UPOV/INF/10](#)

⁹ Subject to the UPOV Convention, and the WIPO/UPOV Agreement (document [UPOV/INF/8](#)), the WIPO SRR apply to UPOV.

COMPONENT 4 – CONTROL ACTIVITIES



4. Control Activities

- i. Process Level Controls
- ii. Segregation of Duties
- iii. Anti-fraud Controls
- iv. Compliance Monitoring
- v. Quality Control

21. UPOV relies on WIPO's administrative control activities. Control activities are performed at various levels of the Organization and are established to ensure reasonable assurance regarding the reliability of reporting, the effectiveness and efficiency of operations, compliance with applicable policies, regulations and rules, and the safeguarding of resources.

22. **Process Level Controls** are the internal control processes in place to mitigate identified risks for key processes.

23. **Segregation of Duties** is systematically enforced to reduce opportunities for fraudulent, malicious or unintentional erroneous actions. A module of the Enterprise Resource Planning (ERP) system is used to ensure that such roles are defined and assigned in line with delegated authority (*Control Environment*).

24. UPOV benefits from WIPO's **Anti-Fraud Controls** that are in place to deter and detect fraud. A roadmap, which is under implementation, sets out the enhancements to WIPO's anti-fraud framework, in the process of being implemented over three biennia. The anti-fraud policy describes the expectations towards staff, particularly with regard to reporting fraud. A fraud awareness training program has been created which is intended to sensitize all staff to fraud and train them how to be alert to fraudulent activity.

25. **Compliance monitoring** is undertaken by the second line of defense, typically taking advantage of the business intelligence system to automate the task. Exceptions are reported as appropriate.

26. **Quality Control** activities are undertaken across the Organization in all its activities.

COMPONENT 5 – INFORMATION AND COMMUNICATION



5. Information & Communication

- i. ERP and Business Intelligence
- ii. Information and Data Governance
- iii. Performance and Financial information
- iv. Communication to External Parties
- v. Risk and Internal Control Reporting
- vi. Statement of Internal Control

27. The *Information and Communication* component describes the systems in place to document and report on operational, financial, non-financial, and compliance-related information. The form and timeframe within which such information is provided is critical to ensuring that staff can carry out their responsibilities effectively.

28. UPOV relies on WIPO's information and communication systems. A limited **ERP** system was put in place at WIPO in 2004 covering finance, with procurement added in 2010. This system was then considerably expanded between 2011 and 2018, through a portfolio of projects which delivered a comprehensive suite of enterprise solutions including EPM, ERM and an enhanced ERP system that integrates Human Resource Management with Financial Management. **Business Intelligence**, a module of the ERP system, has increasingly provided data to management to enable timely and transparent decision-making.

29. **Information and Data Governance** has undergone significant strengthening at WIPO to reflect its importance, and also applies to UPOV. A Master Data Management Policy defines the approach for managing critical data and provides a single authoritative point of reference that is integrated into the enterprise architecture. An information classification and handling policy, together with detailed guidelines ensures a common understanding of levels of information confidentiality.

30. UPOV publishes its Performance Report annually, providing **Performance and Financial information** for members' information and consideration. The member driven performance dialogue, facilitated by the Office of the Union's reports, creates the opportunity to distill lessons from implementation in a given period and to improve the planning and implementation in subsequent periods, thereby fostering a culture of continuous performance improvement and learning. Financial statements are prepared and audited annually, in compliance with the Organization's Financial Regulations and Rules and International Public Sector Accounting Standards (IPSAS).

31. **Communication to External Parties** is broad and comprehensive, going well beyond provision of statutory reporting to members. UPOV provides extensive information to its members, stakeholders, and the users of its services through its internet site as well as through various other channels.

32. **Risk and Internal Control Reports** are available to UPOV staff through WIPO risk and control reports, which provide up-to-date information to support management decisions.

33. The UPOV Vice Secretary-General signs a Management Representation Letter (MRL) annually to confirm compliance with internal controls within their delegated authority, which informs the signing of the **Statement of Internal Control** by the UPOV Secretary-General. This process is supported by evidence based reporting on the Entity and Process Level Controls in place.

COMPONENT 6 – ETHICAL STANDARDS AND INTEGRITY



6. Ethical Standards & Integrity

- i. Ethics Office
- ii. WIPO Code of Ethics
- iii. Financial Disclosure and Declaration of Interests
- iv. Protection Against Retaliation
- v. ICSC Standards of Conduct

34. UPOV has access to the WIPO **Ethics Office**, that has been in place since 2010, and WIPO has issued policies in respect of the acceptance of gifts and favors. The WIPO Chief Ethics Officer fulfills an independent function, and is responsible for: standard setting and policy development; outreach and the development and delivery of ethics training; advice to staff; and implementation of policies. WIPO also has put in place a Code of Conduct for Staff Involved in Procurement Actions, a Supplier Code of Conduct, and a Vendor Sanctions policy.

35. The conduct and actions of UPOV staff must always adhere to the highest ethical standards, as set out in the **WIPO Code of Ethics**. Ethics training is provided to all staff.

36. The Policy on **Financial Disclosure and Declaration of Interests** is aimed at: promoting transparency and accountability; enhancing internal and external public trust in the integrity of the Organization; and assisting the Organization to manage the risk of actual and perceived conflicts of interest through disclosure, mitigation and prevention. It requires UPOV staff at certain levels and in certain functions to file a financial disclosure and declaration of interest and/or an IPSAS disclosure statement.

37. The Policy to **Protect Against Retaliation** for reporting misconduct and for cooperating with duly authorized audits or investigations constitutes the general framework for the protection of all personnel against retaliation for cooperation in an oversight activity, or who make a report, in good faith, of misconduct that, if established, would be manifestly harmful to the interests, operations or governance of the Organization.

38. The International Civil Service Commission's (**ICSC**) **Standards of Conduct** are applicable to UPOV Staff. They state the expectation of observance of the highest ethical standards of conduct, consistent with the principles of loyalty, integrity, impartiality, discretion, personal accountability and respect for others, and to disclose and manage any actual, apparent or potential conflicts of interest. UPOV has a zero tolerance policy for any form of discrimination or harassment, including gender or sexual harassment, as well as physical or verbal abuse at the workplace or in connection with work.

COMPONENT 7 – CONTROL ENVIRONMENT



7. Control Environment

- i. International Convention
- ii. Governance Structure
- iii. Entity Level Controls
- iv. Regulatory Framework
- v. Mission
- vi. Tone at the top
- vii. Responsibility and Delegated Authority
- viii. Organizational Structure

39. The control environment sets the tone of the Organization, influencing the control consciousness of its staff. It is the foundation for all other components of the internal control system, providing discipline and structure.

40. UPOV was established by the **International Convention**¹⁰ for the Protection of New Varieties of Plants. The Convention was adopted in Paris in 1961 and it was revised in 1972, 1978 and 1991.

41. The **Governance Structure** comprises the Council of UPOV, which oversees the Organization, with the support of the Consultative Committee (CC), the Administrative and Legal Committee (CAJ) and the Technical Committee (TC).

¹⁰ Article 24 of the [1991 Act of the UPOV Convention](#) (UPOV Publication 221)

42. **Entity Level Controls** are recorded in a WIPO ERM system and describe the measures that are in place to provide assurance of good organizational governance.

43. The **Regulatory Framework** includes the UPOV Financial Regulations and Rules¹¹ (FRR), the WIPO Staff Regulations and Rules¹² (SRR) and administrative issuances. Article 8 of the Agreement between WIPO and UPOV states that:

“Subject to the other Articles of this Agreement and to paragraphs (2) and (3) of this Article, the provisions of the Staff Regulations and Staff Rules of WIPO and the provisions of the Financial Regulations and Rules of WIPO, including future modifications thereof, shall, mutatis mutandis, apply also in respect of the staff of the Office of UPOV and the finances of UPOV, provided that the Council of UPOV may agree with the Director General of WIPO to any exceptions and additions to the same in which case such agreed exceptions and additions shall prevail. The said texts shall be considered to constitute the administrative and financial regulations of UPOV referred to in Article 201 of the UPOV Convention.”

The UPOV FRR govern the implementation of activities and the financial management of UPOV. The SRR embody the fundamental conditions of service and the basic rights, duties and obligations of UPOV staff members as well as the broad principles of human resource management. Administrative issuances serve normative and/or informative purposes, as appropriate. As a general rule, office instructions have a binding character and address a wide range of matters, while information circulars and other administrative issuances in principle inform staff of matters of general interest and provide guidance on established policies and practices. These are documented on the WIPO intranet system.

44. UPOV's **mission**¹³ is to provide and promote an effective system of plant variety protection, with the aim of encouraging the development of new varieties of plants, for the benefit of society.

45. The UPOV Vice Secretary-General is responsible for assisting the UPOV Secretary-General in ensuring that the **Tone at the Top** is a clear message that rigorous internal control is critical to the Organization, any weaknesses in internal controls are appropriately addressed, and that continuous improvement of the system of internal controls is in place.

46. The FRR also provide for delegation of authority that allows the Organization to achieve its Expected Results in an effective and orderly manner. A culture of accountability emanates from the **Responsibility and Delegated Authority** that is also integrated into the ERP system. The Agreement between WIPO and UPOV states that *“in all financial matters concerning UPOV, the Controller of WIPO shall be responsible to the Council of UPOV.”*

47. The UPOV **Organizational Structure** ensures that each staff member is aware of their respective area of responsibility, in line with their experience and competencies. A key requirement for holding staff accountable for their work is the availability of up-to-date job descriptions. The SRR require that all posts have accurate and up-to-date job descriptions. Recruitment policies and post-employment restrictions are established on the basis of the SRRs and UN system common practice. Flexible non-staff resources, such as independent contractors and agency personnel are utilized to complement the staffing structure.

[End of document]

¹¹ See document [UPOV/INF/4/6](#)

¹² See document [WIPO SRR](#)

¹³ www.upov.int/about/en/