

Program and Budget Committee

Thirty-Third Session Geneva, September 13 to 17, 2021

PROGRESS REPORT ON THE IMPLEMENTATION OF THE JOINT INSPECTION UNIT'S (JIU) RECOMMENDATIONS

prepared by the Secretariat

1. This document provides an overview of the status of implementation of outstanding recommendations addressed to the World Intellectual Property Organization's (WIPO) Legislative Bodies, resulting from the reviews of the Joint Inspection Unit (JIU) during the period 2010 to end-May 2021.
2. Annex I to the present document contains recommendations addressed to the Legislative Bodies of United Nations system organizations, where these recommendations are marked for action by WIPO. The current status of acceptance/implementation of recommendations reflects the Secretariat's proposals and assessments for consideration by Member States.
3. Annex II to the present document contains the outcomes of a review of the Organization's implementation of enterprise risk management against JIU benchmarks 1 to 9, as outlined in the report "Enterprise risk management: approaches and uses in United Nations system organizations" (JIU/REP/2020/5).
4. Annex III to the present document contains the list of active JIU reports relevant to WIPO as at end-May 2021; this annex serves to provide links to active JIU reports relevant to WIPO.
5. Since the last report submitted to Member States (WO/PBC/30/6) on the same subject, the JIU issued twelve Reviews, of which eight were relevant to WIPO. New Reviews containing recommendations addressed to Legislative Bodies have been signaled as such, and the status updates from Reviews issued in prior years highlight the change from the previous reporting period.

6. It is highlighted that in addition to the follow up of outstanding JIU recommendations, the Secretariat continues its work to facilitate and coordinate responses to the JIU's questionnaires, surveys and interviews in relation to ongoing and new Reviews. In line with the JIU's Program of Work (PoW), four Reviews relevant to WIPO are scheduled for launch in 2021, with two to be completed from those launched in 2020.

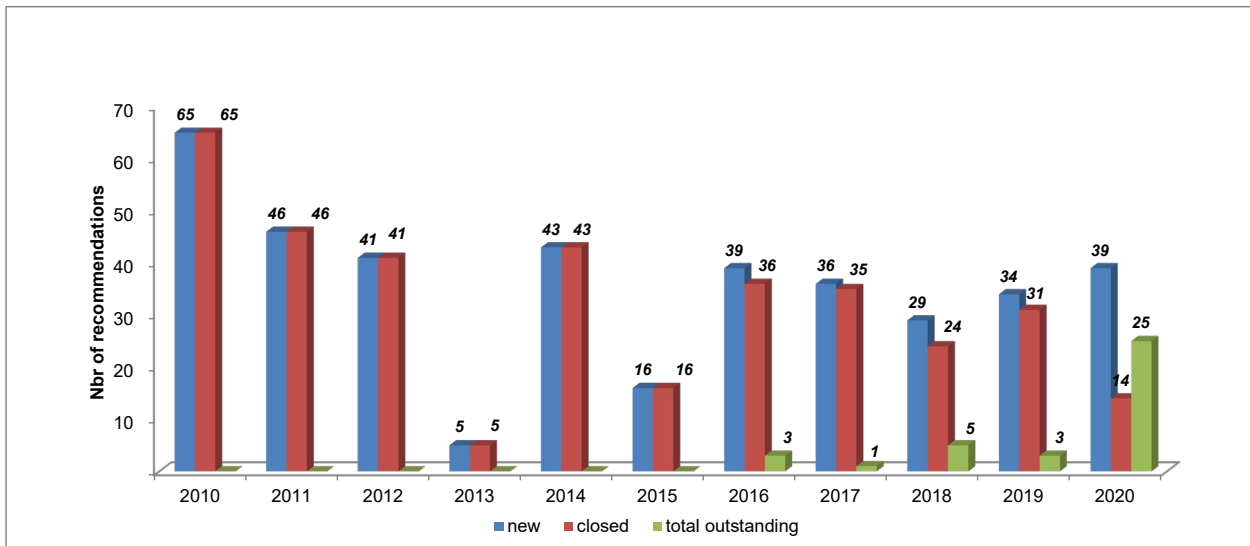
7. The following Reviews are ongoing at the time of finalizing the present document:

Table 1. JIU Reviews relevant to WIPO ongoing in 2021

Review of policies, measures, mechanisms and practices to prevent and address racism and racial discrimination in the United Nations system	2021 PoW
Business continuity policies and practices in United Nations system organizations	2021 PoW
Review of the internal pre-tribunal stage appeal mechanisms available to staff members in the United Nations system organizations	2021 PoW
Review of accountability frameworks in the United Nations system organizations	2021 PoW
Comprehensive review of United Nations system support for the Landlocked Developing Countries (LLDC)	2020 PoW
Current state of the ethics function in the United Nations system	2020 PoW

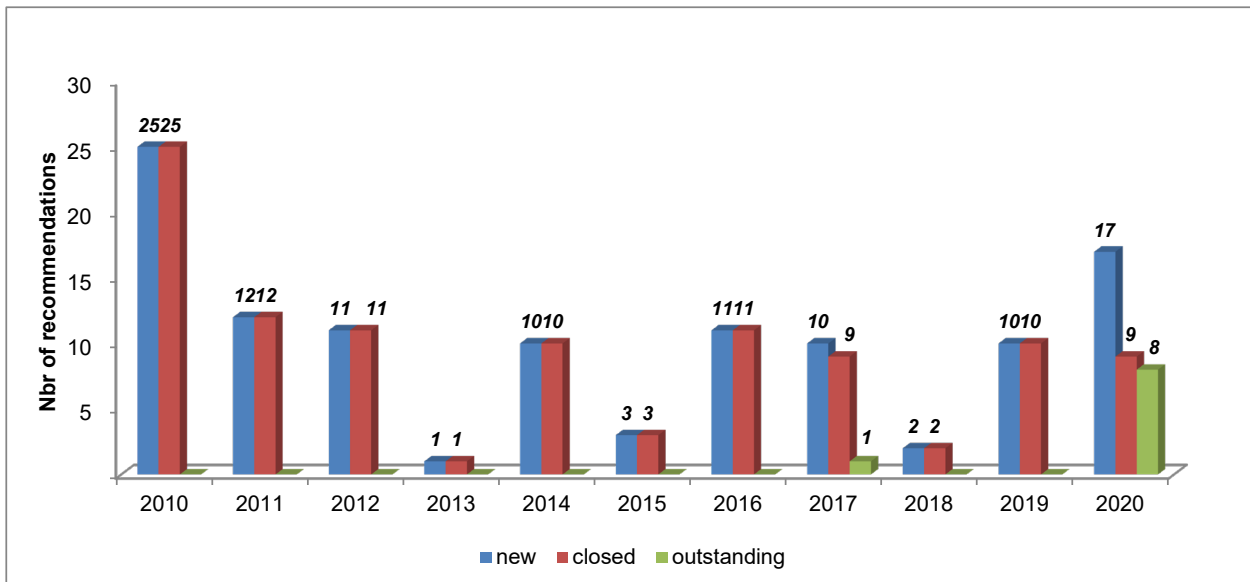
8. The JIU issued a total of 39 new recommendations relevant for WIPO from nine Reviews, with 17 recommendations addressed to the Legislative Bodies and the remaining 22 to the Executive Head. Recommendations currently outstanding and under implementation by WIPO are from Reviews issued in 2016 to 2020. The recommendation on fraud, prevention, detection and response in United Nations system has been implemented in 2020, and it is now reflected as closed in this report. Three recommendations from Reviews issued in 2016, on safety and security addressed to the Executive Head remain outstanding.

**Chart 1. All JIU Recommendations relevant to WIPO 2010-2020
Status as at end-May 2021¹**



9. As at end of May 2021, subject to the endorsement of Member States in respect of recommendations contained in the present report, there will be nine recommendations addressed to WIPO’s Legislative Bodies, which will remain outstanding, all other recommendations having been closed (implemented, considered not relevant to WIPO, or not accepted).

**Chart 2. JIU Recommendations addressed to Legislative Bodies 2010-2020
Status as at end-May 2021²**

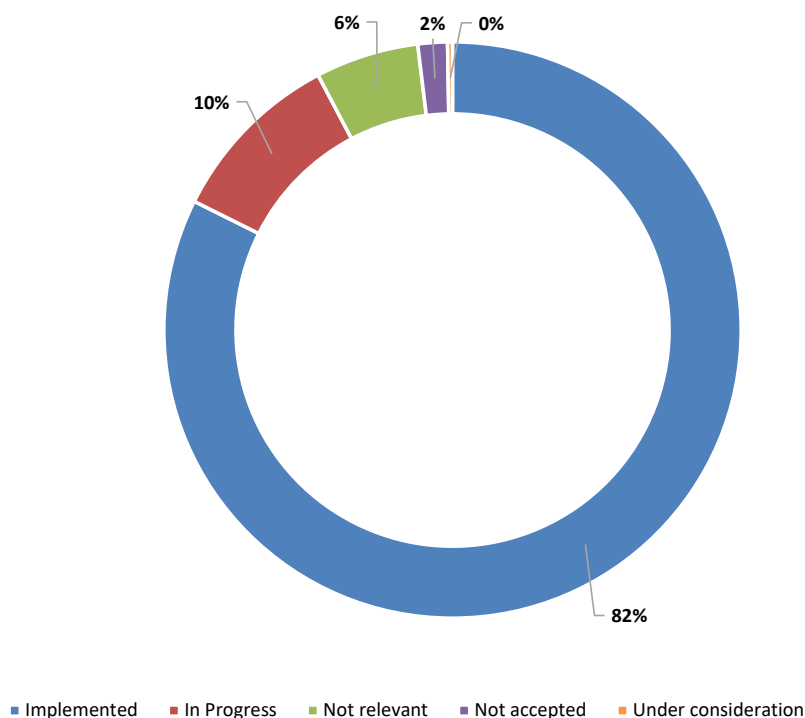


¹ New and closed recommendations are shown in the year in which the relevant Report of the JIU was issued.

² Subject to the endorsement of Member States in respect of recommendations addressed to WIPO’s Legislative Bodies (LB).

10. As a result, overall 82 per cent of all the 393 JIU recommendations made since 2010, and relevant to WIPO, will have been implemented, with a further eight per cent closed (not relevant or not accepted), and 10 per cent accepted and in the process of being implemented.

**Chart 3. All JIU Recommendations relevant to WIPO from Reports 2010-2020
Status as at end-May 2021**



11. The following decision paragraph is proposed.

12. *The Program and Budget Committee (PBC):*

(i) took note of the present report (document WO/PBC/33/7);

(ii) welcomed and endorsed the Secretariat's assessment of the status of the implementation of recommendations under:

- *JIU/REP/2020/8 (Recommendation 2);*
- *JIU/REP/2020/1 (Recommendations 1, 5, 6 7, 8, 9 and 10);*
- *JIU/REP/2019/6 (Recommendations 4 and 6); as set out in the present report;*

(iii) welcomed and took note of the Secretariat's assessment of the JIU benchmarks on risk management; and

(iv) called on the Secretariat to propose assessments for the open recommendations made by the Joint Inspection Unit (JIU) for Member States' consideration.


[Annexes follow]

JIU RECOMMENDATIONS ADDRESSED TO THE LEGISLATIVE BODIES OF JIU PARTICIPATING ORGANIZATIONS – STATUS AS AT END-MAY 2021

I. RECOMMENDATIONS FROM JIU REVIEWS HELD IN 2020


JIU/REP/2020/8 “Review of mainstreaming environmental sustainability across organizations of the United Nations system” [LINK](#)

This report was issued by the JIU on February 24, 2021. All recommendations are therefore new within the context of this report to Member States.


 Recommendation 2	The legislative organs and governing bodies of the United Nations system organizations that have not yet done so should, by the end of 2022, direct the executive heads to embed environmental sustainability considerations into the management of their organizations and request them to include in the annual report on the work of the organization the results of efforts to mainstream environmental sustainability in the internal management functions of the organization.
Management/Focal Point Assessment	WIPO has embedded in its Program and Budget and WIPO Performance Report (WPR) cycles, since 2010-11 a sub-program, budget and KPIs on environmental responsibility. This was also in the Strategic Realignment Program in the early 2010's.
Acceptance	Accepted
Implementation	Implemented
Responsible Officer	Director/Premises Infrastructure Division (PID)

JIU/REP/2020/7 “Blockchain applications in the United Nations system: towards a state of readiness” [LINK](#)

This report was issued by the JIU on March 21, 2021. All recommendations are therefore new within the context of this report to Member States.


 Recommendation 1	The governing bodies of the United Nations system organizations should ensure that, when applicable, the use of blockchain applications will be integrated, together with other digital technologies, into the innovation strategies and policies adopted by their respective organizations.
Management/Focal Point Assessment	The WIPO member states established the Blockchain Taskforce under the Committee on WIPO Standards (CWS) with mandates which seems relevant to this recommendation to some extent. In addition, the International Bureau is working on the blockchain whitepaper for IP ecosystem, which will include potential use cases of blockchain in IP ecosystem and explore benefits & challenges of the technology.
Acceptance	Accepted
Implementation	In progress
Responsible Officer	Chief Information Officer (CIO)

JIU/REP/2020/7 “Blockchain applications in the United Nations system: towards a state of readiness” (continued)


 <p>Recommendation 6</p>	<p>The governing bodies of the United Nations system organizations should encourage Member States to engage with the United Nations Commission on International Trade Law in its exploratory and preparatory work on legal issues that relate to blockchain in the broader context of the digital economy and digital trade, including on dispute resolution, which is aimed at reducing legal insecurity in that field.</p>
<p>Management/Focal Point Assessment</p>	<p>The CWS Blockchain Taskforce established subgroups for discussion on regulatory framework and governance of blockchain for IP ecosystem, which seem related to this Recommendation. Therefore, it is proposed to recommend that the Taskforce monitor and participate in UNCITRAL's activities.</p> <p>Furthermore, from previous internal discussions, AMC confirmed that the WIPO Arbitration and Mediation Center will monitor UNCITRAL's activities concerning dispute resolution in the blockchain environment.</p> <p>AMC noted that the WIPO Center has been promoting the use of WIPO Alternative Dispute Resolution with blockchain stakeholders particularly in the area of FinTech (see https://chttps--www-wipo-intc.ssl.wipo.int/amc/en/center/specific-sectors/ict/fintech/).</p>
<p>Acceptance</p>	<p>Accepted</p>
<p>Implementation</p>	<p>Not started</p>
<p>Responsible Officer</p>	<p>CIO</p>


JIU/REP/2020/6 “Multilingualism in the United Nations system” [LINK](#)

This report was issued by the JIU on December 9, 2020. All recommendations are therefore new within the context of this report to Member States.

 <p>Recommendation 1</p>	<p>The legislative or governing bodies of the United Nations system organizations should request the executive heads of their respective organizations that have not yet done so, to prepare a strategic policy framework for multilingualism, accompanied by administrative and operational guidelines for its implementation, and submit this for adoption by the end of 2022.</p>
<p>Management/Focal Point Assessment</p>	<p>The Task Force on Language Policy co-chaired by the Assistants Director General of Administration, Finance and Management Sector and Infrastructure and Platforms Sector. The TF is working on a document to the July 2021 PBC session on a revised Language Policy, which will include a strategic policy framework for multilingualism. Once adopted by Member States, internal administrative and operational guidelines for its implementation will be prepared by the Secretariat.</p>
<p>Acceptance</p>	<p>Accepted</p>
<p>Implementation</p>	<p>In progress</p>
<p>Responsible Officer</p>	<p>Director/Language Division (LD)</p>


JIU/REP/2020/6 “Multilingualism in the United Nations system” (continued)

 Recommendation 2	The legislative or governing bodies of the United Nations system organizations should request the executive heads of their respective organizations that have not yet done so, to appoint, by the end of 2022, a senior official as a coordinator or focal point for multilingualism, with clearly defined responsibilities and delegated authority, tasked with the coordination of the implementation of the strategic policy framework for multilingualism across their respective organizations.
Management/Focal Point Assessment	In January 2019, the previous DG appointed the Director of the Language Division as WIPO’s multilingualism focal point to the CEB Network on Multilingualism. In view of the on-going work in the Task Force on Language Policy, this may need to be confirmed (or re-considered) by the current DG, with clearly defined responsibilities and delegated authority, etc., as recommended by JIU.
Acceptance	Accepted
Implementation	In progress
Responsible Officer	CIO


 Recommendation 4	The legislative or governing bodies of the United Nations system organizations should request the executive heads of their respective organizations that have not yet done so, to introduce, by the end of 2022, learning policies that encourage continuous learning and improvement of the language skills of their staff members in the official languages of the respective organizations as well as in other languages, as appropriate, securing sufficient funding for this.
Management/Focal Point Assessment	This will be addressed in the context of the new training framework.
Acceptance	Accepted
Implementation	In progress
Responsible Officer	Director/Human Resources Management Department (HRMD)

JIU/REP/2020/5 “Enterprise risk management: approaches and uses in United Nations system organizations” [LINK](#)

This report was issued by the JIU on October 20, 2020. All recommendations are therefore new within the context of this report to Member States.


 Recommendation 1	In order to fulfil their oversight roles and responsibilities, legislative/governing bodies should incorporate ERM into their meetings at least annually, with substantive coverage determined by the organization’s mandate, field network and risk exposure.
Management/Focal Point Assessment	WIPO currently incorporates risks into meetings biennially through the Programme and Budget and WIPO Performance Report. The key risks and mitigations are included in Statement of Internal Control annually, which is shared with Member States through the PBC. WIPO is considering incorporating risks into the mid biennial WPR. WIPO discusses ERM with the IAOC on a regular basis. WIPO also submits the Accountability Framework and Risk Appetite statements to Member States on a periodic basis.
Acceptance	Accepted
Implementation	In progress
Responsible Officer	Director, Program Planning and Finance (Controller)

JIU/REP/2020/5 “Enterprise risk management: approaches and uses in United Nations system organizations” (continued)

 Recommendation 4	By the end of 2022, legislative/governing bodies of participating organizations should request executive heads to report on the outcomes of a comprehensive review of the organization’s implementation of ERM against JIU benchmarks 1 to 9, as outlined in the present report.
Management/Focal Point Assessment	It has been included as an annex to JIU recommendation report to PBC. This will also be discussed at IAOC.
Acceptance	Accepted
Implementation	Implemented
Responsible Officer	D/DPPF (Controller)


JIU/REP/2020/2 “Policies and platforms in support of learning: towards more coherence, coordination and convergence” [LINK](#)


This report was issued by the JIU on October 7, 2020. All recommendations are therefore new within the context of this report to Member States.

 Recommendation 8	The governing bodies of United Nations system organizations should, by the end of 2023, approve a common United Nations Organizational Learning Framework, agreed through relevant inter-agency mechanisms, which should contain a set of principles and a plan of action for gradual implementation.
Management/Focal Point Assessment	This will be discussed during the Learning Managers Forum hosted by UNSSC in June.
Acceptance	Accepted
Implementation	Not started
Responsible Officer	D/HRMD


JIU/REP/2020/1 “Review of the state of the investigation function: progress made in the United Nations system organizations in strengthening the investigation function” [LINK](#)

This report was issued by the JIU on September 21, 2020. All recommendations are therefore new within the context of this report to Member States.


 Recommendation 1	The legislative bodies of United Nations system organizations should request that organizations that have not yet done so include in their internal oversight charters a provision for the periodic revision and, where necessary, update of the charters and a requirement for their endorsement by the legislative bodies. The updated charters should be submitted for endorsement by the legislative bodies by the end of 2021.
Management/Focal Point Assessment	This recommendation is already addressed/implemented. The IOD charter provides : Para 55. This Charter shall be reviewed by the Director, IOD and the IAOC, every three years or earlier, if necessary. Any amendments to the Charter proposed by the Secretariat shall be reviewed by the IAOC and the Director General and shall be submitted to the Program and Budget Committee for approval. After PBC approval the General Assembly of WIPO, endorses the decisions of the PBC.
Acceptance	Accepted
Implementation	Implemented
Responsible Officer	Director/Internal Oversight Division (IOD)

 Recommendation 3	The legislative bodies of United Nations system organizations should request that organizations that have not yet done so consolidate by the end of 2022 all investigations and related activities (namely intake, preliminary assessment and the decision to open an investigation), irrespective of the type of misconduct, in the internal oversight office of each organization.
Management/Focal Point Assessment	In WIPO, a current review of the internal justice system is under way and should be completed in 2021. As a result of this review, it could be decided that all investigation activities be carried out by the Internal Oversight Division, with the exception of the intake and preliminary assessment of allegations of retaliation, which would remain within the Ethics Office's mandate. In any case, the Director, Internal Oversight Division, at his/her discretion during an investigation, shall retain the possibility to seek advice from other departments or offices of the Organization, including but not limited to the Office of the Legal Counsel and Human Resources Management Department.
Acceptance	Accepted
Implementation	In progress
Responsible Officer	D/IOD


JIU/REP/2020/1 “Review of the state of the investigation function: progress made in the United Nations system organizations in strengthening the investigation function” (continued)

 <p>Recommendation 5</p>	<p>The legislative bodies of the United Nations system organizations should request that organizations that have not yet done so include in their oversight charters by the end of 2021 provisions that: (a) Make the appointment and dismissal or removal of the heads of their internal oversight offices subject to consultation with and approval of the legislative bodies; (b) Establish term limits from five to seven years for the heads of internal oversight offices, preferably making the term non-renewable, with a post-employment restriction within the same organization; and (c) Allow for unrestricted access of their heads of internal oversight offices to the legislative bodies and to the respective audit and oversight committees.</p>
<p>Management/Focal Point Assessment</p>	<p>This recommendation is already addressed/implemented. The IOD Charter clearly provides for the following:</p> <p>Para 52. The Director, IOD shall be appointed by the Director General after endorsement by the IAOC and the Coordination Committee. The Director, IOD shall have a non-renewable fixed term of office of six years. On completion of the fixed term of office, he/she shall not be eligible for any further employment in WIPO. Steps should be taken, where possible, to ensure that the start of the terms of the Director, IOD should not be the same as that of a new External Auditor.</p> <p>Para 53. The Director General may dismiss the Director, IOD only on specific and documented grounds and after endorsement by the IAOC and the Coordination Committee.</p> <p>Para 54. The performance appraisal of the Director, IOD shall be made by the Director General after receiving input from and in consultation with the IAOC.</p> <p>Para 13. For the performance of his/her duties, the Director, IOD shall have unrestricted, unlimited, direct and prompt access to all WIPO records, officials or personnel, holding any WIPO contractual status, and to all the premises of WIPO. WIPO staff members, contractors and other personnel have the duty to cooperate with any duly authorized investigation.</p> <p>Para 14. The Director, IOD shall have access to the Chairs of the General Assembly, the Coordination Committee, the Program and Budget Committee and the IAOC.</p>
<p>Acceptance</p>	<p>Accepted</p>
<p>Implementation</p>	<p>Implemented</p>
<p>Responsible Officer</p>	<p>D/IOD</p>


JIU/REP/2020/1 “Review of the state of the investigation function: progress made in the United Nations system organizations in strengthening the investigation function” (continued)


 <p>Recommendation 6</p>	<p>The legislative bodies of the United Nations system organizations that have not yet done so should request that organizations update the terms of reference of their respective audit and oversight committees by the end of 2021 to include, where necessary, appropriate provisions to: (a) review the independence and mandate of the internal oversight office/ investigation function; (b) review its budget and staffing requirements; (c) review its overall performance; and (d) issue related recommendations.</p>
<p>Management/Focal Point Assessment</p>	<p>This recommendation is already addressed/implemented. The IOD Charter and ToRs of IAOC clearly provides for the following:</p> <p>ToRs of IAOC:</p> <ul style="list-style-type: none"> (ii) To review the implementation of the IOD workplan and the results of internal and external assessments and advise on the quality, effectiveness and efficiency of the internal oversight function and on its organizational independence (v) To review and advise in the implementation of internal oversight recommendations. (viii) To provide input to the Director General into the performance appraisal of the Director, IOD <p>IOD Charter provides:</p> <p>49. In presenting Program and Budget proposals to the Member States, the Director General shall take into account the need to ensure the operational independence of the internal oversight function and shall provide the necessary resources to enable the Director, IOD to achieve the objectives of his/her mandate. The allocation of financial and human resources including in-sourcing, outsourcing or co-sourcing of services shall be clearly identified in the Program and Budget proposal, which will take into account the advice of the IAOC.</p>
<p>Acceptance</p>	<p>Accepted</p>
<p>Implementation</p>	<p>Implemented</p>
<p>Responsible Officer</p>	<p>D/IOD</p>

JIU/REP/2020/1 “Review of the state of the investigation function: progress made in the United Nations system organizations in strengthening the investigation function” (continued)


 <p>Recommendation 7</p>	<p>The legislative bodies of United Nations system organizations that have not yet done so should develop and adopt appropriate formal procedures for the investigation of complaints of misconduct by executive heads and adopt appropriate policies by the end of 2021.</p>
<p>Management/Focal Point Assessment</p>	<p>This recommendation is already addressed/implemented. The IOD Charter clearly provides for the following:</p> <p>Para 24. Allegations of misconduct against the Director General shall be reported to the Director, IOD, who shall immediately inform the Chairs of the General Assembly and of the Coordination Committee and seek the advice of the IAOC on how to proceed. The IAOC shall advise the Director IOD on whether to conduct a preliminary evaluation or arrange for a preliminary evaluation by an independent external investigative entity. Based on the results of the preliminary evaluation, the IAOC shall provide a recommendation to the Chairs of the General Assembly and of the Coordination Committee on whether to request the Director, to close the case or to refer the matter for investigation to an independent external investigative entity. In case referral is recommended, such recommendation shall include the proposed Terms of Reference of the investigation and a proposal for a suitable investigative entity. In the event the Chairs cannot reach an agreement or propose to deviate from the IAOC recommendation, the Vice-Chairs of the General Assembly and of the Coordination Committee shall be involved in the decision.</p> <p>Para 25. Where the advice of the IAOC is required, such advice shall be provided within one month, unless the complexity of the matter requires more time.</p>
<p>Acceptance</p>	<p>Accepted</p>
<p>Implementation</p>	<p>Implemented</p>
<p>Responsible Officer</p>	<p>D/IOD</p>

JIU/REP/2020/1 “Review of the state of the investigation function: progress made in the United Nations system organizations in strengthening the investigation function” (continued)

 <p>Recommendation 8</p>	<p>The legislative bodies of United Nations system organizations that have not yet done so should request that organizations establish by the end of 2021 formal procedures for handling allegations of misconduct against heads and personnel of their internal oversight offices in order to avoid situations of conflict of interest.</p>
<p>Management/Focal Point Assessment</p>	<p>This recommendation is already addressed/implemented. The IOD Charter clearly provides for the following:</p> <p>Para 20. In the performance of their oversight work, the Director, IOD and oversight staff shall avoid perceived or actual conflicts of interest. The Director, IOD shall report any significant impairment to independence and objectivity, including conflicts of interest, for due consideration of the IAOC.</p> <p>Para 21. Notwithstanding the foregoing, where allegations of misconduct concern the staff of IOD, the Director, IOD shall seek the advice of the IAOC on how to proceed.</p> <p>Para 22. Allegations of misconduct against the Director, IOD shall be reported to the Director General, who shall, at the earliest opportunity, but not later than one month, inform the Chair of the Coordination Committee and seek the advice of the IAOC on how to proceed. The IAOC shall conduct or arrange for a preliminary evaluation. Based on its results, the IAOC shall provide a recommendation to the Director General and the Chair of the Coordination Committee on whether to close the case or refer the matter for investigation to an independent external investigative entity. In case referral is recommended, such recommendation shall include the proposed Terms of Reference of the investigation and a proposal for a suitable investigative entity. No investigative proceedings into allegations against the Director, IOD or previous incumbents shall be initiated without the concurrence of the IAOC.</p>
<p>Acceptance</p>	<p>Accepted</p>
<p>Implementation</p>	<p>Implemented</p>
<p>Responsible Officer</p>	<p>D/IOD</p>

 <p>Recommendation 9</p>	<p>The legislative bodies of United Nations system organizations that have not yet done so should request that the respective organizations’ annual internal oversight activity reports contain information on both complaints and investigations, including details on the number, type and nature of the complaints and investigations and trends in this regard.</p>
<p>Management/Focal Point Assessment</p>	<p>This recommendation is already addressed/implemented. The IOD Charter clearly provides for the following:</p> <p>Para 48. The Annual Report shall include the following, inter alia: (b) A description, including the financial impacts, if any, of those investigative cases found to be substantiated and their disposition, such as disciplinary measures, referral to national law enforcement authorities, and other sanctions taken.</p> <p>Please refer to para 60, Table 1 of the Annual Report of the Director, IOD to the PBC and General Assembly for 2018-19. Available on WIPO public website. https://www.wipo.int/edocs/mdocs/govbody/en/wo_pbc_30/wo_pbc_30_5.pdf</p>
<p>Acceptance</p>	<p>Accepted</p>
<p>Implementation</p>	<p>Implemented</p>
<p>Responsible Officer</p>	<p>D/IOD</p>

JIU/REP/2020/1 “Review of the state of the investigation function: progress made in the United Nations system organizations in strengthening the investigation function” (continued)

 Recommendation 10	<p>The legislative bodies of United Nations system organizations should review the adequacy of resources and staffing of the investigation function, taking into consideration the recommendations of the respective audit and oversight committees, where available.</p>
Management/Focal Point Assessment	<p>This recommendation is already addressed/implemented. The IOD Charter clearly provides for the following:</p> <p>Para 49. In presenting Program and Budget proposals to the Member States, the Director General shall take into account the need to ensure the operational independence of the internal oversight function and shall provide the necessary resources to enable the Director, IOD to achieve the objectives of his/her mandate. The allocation of financial and human resources including in-sourcing, outsourcing or co-sourcing of services shall be clearly identified in the Program and Budget proposal, which will take into account the advice of the IAOC.</p>
Acceptance	<p>Accepted</p>
Implementation	<p>Implemented</p>
Responsible Officer	<p>D/IOD</p>

II. RECOMMENDATIONS FROM JIU REVIEWS HELD IN 2019

JIU/REP/2019/6 “Review of audit and oversight committees in the United Nations system” [LINK](#)

Recommendation 4	<p>The legislative and/or governing bodies of the United Nations system organizations that have not already done so should give due consideration to including the oversight of ethics and antifraud activities in the revised terms of reference or charter of their audit and oversight committees in order to strengthen the accountability frameworks of their respective organizations by the end of 2021, provided that these audit and oversight committees meet the independence criteria.</p>
Management/Focal Point Assessment	<p>"Ethics" is a recurring item on the Committee's quarterly agenda, and the IAOC meets with the Chief Ethics Officer (if the incumbent is available) at each of its session to review (i) the draft and final annual workplan of the Ethics Office; (ii) progress made in implementing any pending recommendation; (iii) review and provide advice to the Chief Ethics Officer on any matter which might require guidance, as per the Terms of Reference of the Committee.</p>
Acceptance	<p>Accepted</p>
Implementation	<p>Implemented</p>
Responsible Officer	<p>D/DPPF (Controller) and Chief Ethics Officer (CEO)</p>

Previously "in progress"

JIU/REP/2019/6 “Review of audit and oversight committees in the United Nations system”
(continued)

Recommendation 6	The legislative bodies of the United Nations system organizations that have not already done so should request their audit/oversight committees to undertake a performance evaluation annually and report to them on the results.	
Management/Focal Point Assessment	The IAOC conducts an annual self-assessment exercise at its fourth quarterly session, and discuss together collated results. The last exercise was undertaken in November-December 2020, and the Committee concluded that it was satisfied with the independent advisory and oversight functions carried out during the year and that, despite the unprecedented circumstances brought on by the COVID-19 situation, it had functioned effectively throughout the year.	
Acceptance	Accepted	<i>Previously “in progress”</i>
Implementation	Implemented	
Responsible Officer	D/DPPF (Controller) and CEO	

III. RECOMMENDATIONS FROM JIU REVIEWS HELD IN 2017

JIU/REP/2017/3 “Review of air travel policies in the United Nations system: achieving efficiency gains and cost savings and enhancing harmonization” [LINK](#)

Recommendation 2	The legislative bodies of all United Nations system organizations, if they have not already done so, should abolish first class travel for all categories of staff and non-staff by January 2019 and permit its use only when business class is not available.	
Management/Focal Point Assessment	In accordance with WIPO’s policy on official travel, staff members do not travel first class. The Director General is the only high-level official entitled to travel first class in the interest of the Organization.	
Acceptance	Accepted	<i>No change from previous status</i>
Implementation	In progress	
Responsible Officer	Director/Procurement and Travel Division (PTD)	

[Annex II follows]

REVIEW OF WIPO'S ERM IMPLEMENTATION AGAINST JIU BENCHMARKS

WIPO reports on the implementation of Enterprise Risk Management (ERM) to its Risk Management Group, an internal body established in 2014 chaired by the Director General, and to the Independent Advisory Oversight Committee (IAOC).

In October 2020, the UN Joint Inspection Unit issued a report on *ERM: approaches and uses in United Nations system organizations (JIU/REP/2020/5)*. Recommendation 1 of the REPORT proposes a comprehensive review of each organization's ERM implementation against JIU benchmarks 1 to 9 to be undertaken, and Recommendation 4 pertains to the reporting of the outcomes of that review to governing bodies. This report is in response to those recommendations.

Recommendation 3 is addressed to Governing Bodies, and calls on them to *"Incorporate ERM into their meetings at least annually, with substantive coverage determined by the organization's mandate, field network and risk exposure in order to fulfill their oversight roles and responsibilities."* The Secretariat proposes that this may be done by reporting on the evolution of risks in the Program and Budget in the mid-biennium WIPO Performance Report, providing the opportunity for Member States to continue to dialog on risks.

This report presents a progress report on the continuous strengthening of the framework of risk management and internal control at WIPO, as at June 30, 2021.

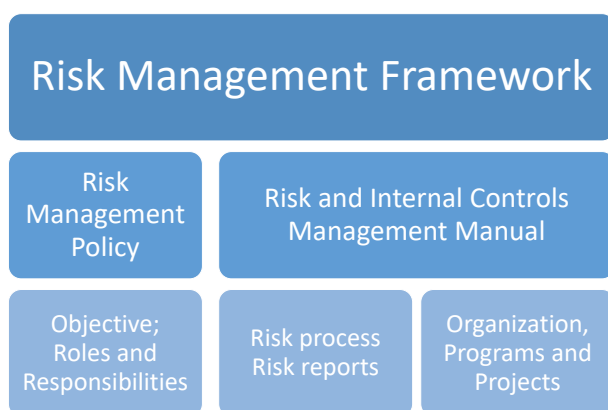
SELF-ASSESSMENT OF RISK MANAGEMENT MATURITY AT WIPO

The following sections present the assessment of maturity for each benchmark 1-9 of the JIU report. It further assesses the implementation status of the informal recommendations, it should be noted that these informal recommendations are not necessarily required in order to reasonably achieve the benchmark. WIPO has used the best practice in risk and control self-assessment to come up with the maturity for each benchmark assessment in this report.

Benchmark 1: Adoption of a systematic and organization-wide risk management policy and/or framework linked to the organization's strategic plan.



Figure 1 - Risk Management Framework



The RM framework (Figure 1) applies to all operational entities (including HQ and External Offices). Integrated related risk scales are in place for different hierarchical levels (e.g. Organizational / program and project).

The WIPO Policy on Preventing and Detecting Fraud and Other Prohibited Acts was issued in March 2019 aligning to the UN HLCM system-wide approved definition for fraud and providing a clear commitment to ensuring that all its activities and operations are free from Fraud and Other Prohibited Acts.

Informal JIU Recommendation

<p>The Inspectors strongly encourage those United Nations entities that have not yet adopted an ERM policy and/or framework to do so. Those organizations that have adopted ERM policies and/or frameworks are encouraged to review them and make the necessary revisions and updates to ensure that ERM is linked to and reflective of the organization's strategic plan, as well as to take into account emerging issues and changes in the operating environment</p>	<p>Implemented</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------



Benchmark 2: Formally defined internal organizational structure for ERM with assigned roles and responsibilities.

WIPO consolidated its ERM Organizational governance in 2014, with the establishment of its Risk Management Group. The Risk Management Group’s Terms of Reference and Membership was subsequently most recently updated in 2016³. Its responsibilities include overseeing the Organization’s risk appetite⁴.

The overall framework for Organizational assurance is expressed in the WIPO Accountability Framework⁵, updated in 2019, that expresses responsibility in terms of the Three Lines model (Figure 2) as well as the seven components of WIPO’s internal control framework.

Figure 2 - Risk responsibilities of each line

Over the Three Lines: Governing Bodies responsibilities are detailed under Benchmark 4. External audit receives the corporate risk register and reviews Governance and Internal Control processes. The Independent Advisory Oversight Committee terms of reference include “To review and advise on the quality and effectiveness of risk management procedures”.		
First line	Second line	Third line
WIPO has well established and embedded risk responsibilities throughout the organization. WIPO has operated a network of Sector Risk Coordinators (SRCs) since 2015. The roles and responsibilities of the SRCs are defined in TORs, together with risk owners and project managers in the Risk Management Policy. Reference to ‘risk management coordination’ will be included in SRC’s mid-year performance reviews, as well as reference to ‘managing risks’ for directors.	The functional responsibilities of ERM are concretely defined in the responsibilities of the Office of the Controller, as well as the job descriptions of the Controller, Assistant Controller and Risk Assurance and Internal Controls Specialist.	Internal Audits “provide an independent and objective assessment of WIPO’s business processes and systems, risk management, control and governance processes.” Internal Oversight Division uses a Risk assessment methodology and conducts risk-based audits, the most recent audit of ERM was in 2016.

Informal JIU Recommendations:

Organizations with extensive field operations that have not established a network of risk focal points should consider setting up such a network from headquarters to field levels to ensure risks in the field are properly identified and addressed.	Not applicable
To provide clarity and consistency, risk focal points should be supported by terms of reference outlining their roles and responsibilities. In most cases, an assignment as risk focal point means additional responsibilities for the designated official, and the responsibilities of risk focal points should be reflected in their performance appraisal to ensure commitment and accountability.	Implemented
Responsibility for ERM should be situated at a rank at which it is possible to address senior management and have the authority to communicate across the organization and compel action, reflecting the significance and level of delegated authority attached to the function	Implemented
It is important to note that the primary responsibility for identifying and managing risks should lie with line managers and risk owners, not with the individual or entity tasked with the ERM function	Implemented
Risk management should be tied to the performance appraisal systems used for executive heads and senior management	In progress
For transparency and accountability, risk owners’ roles and responsibilities in ERM should be reflected in their performance appraisal systems. This may also serve to further integrate ERM across an organization	In progress
At a minimum, relevant staff at all levels need to be aware of which line of defense they belong to and understand their roles and responsibilities in terms of ERM in order to ensure that risks are identified and managed appropriately in a systematic and coordinated manner	Implemented
Risk management should be considered as a core competency for relevant staff at all levels.	In progress

³ Office Instruction N° 33/2016

⁴ WO/PBC/29/5

⁵ WO/PBC/29/4

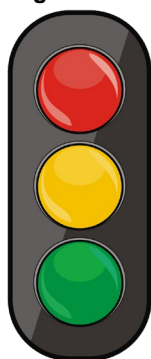
Benchmark 3: Risk culture fostered by the “tone at the top” with full commitment from all organizational levels.



The Organizational risk culture has been embedded for a number of years. Since 2016 the Director General has led the Risk Management Group, generating a clear signal of the importance of ERM. Annual risk assessments to accompany workplans have been mandatory since 2014, each manager is cognizant of this requirement and proactively coordinates with the central risk management team and SRCs to accomplish risk and response planning, monitoring and implementation. Line managers – often operational risk and response owners – recognize the need to take calculated risk to reach objectives effectively, as well as escalation and approval mechanisms (Figure 3).

During the leadership transition in 2020, risk culture was sufficiently embedded already that it lost no ground and actually rapidly gained traction with the revised strategic direction, with the importance of risk management being directly encouraged by the Director General in his messaging to managers. Risk culture maturity further improved significantly during 2020 though the necessity of having to face the challenges presented by the Covid-19 pandemic, and

Figure 3 - Exceeding the risk tolerance



Risks exceeding the risk tolerance limit, falling into the red zone, require an extensive analysis of causes and impact.

Risks in the yellow zone require suggestions for mitigation, a close review of the risk trend.

Risks in the green zone are acceptable without further mitigating measures.

organizational units were encouraged to adopt risk aware actions. Contingency planning was required across the Organization as alternative ways to deliver objectives were developed.

Accountabilities assigned for risk management are reflected in an increasing number of performance appraisals. The risk culture and tone further benefit from an established substantive risk dialog with Governing Bodies, and also with the IAOC and External Auditor. Risk management has largely become an Organizational reflex.

Looking forward, expectations will be set to systematically demonstrate commitment to taking calculated risk based on evidence and to further align risk culture with the shift towards a more empowered, employee-centric risk-embracing Organizational culture.

Informal JIU Recommendation:

To support and integrate ERM, executive heads should set a “tone at the top” that supports its implementation across the organization, demonstrates its utility and importance and empowers staff to sustain it through substantive engagement in ERM processes and practices	Implemented
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------

Benchmark 4: Legislative/governing body engaged with ERM at the appropriate levels.



Key risks and mitigation strategies have been clearly expressed in the Program and Budget since the 2014/15 biennium. This transparent analysis has resulted in an active and productive dialog on program risks with Member States in WIPO’s governing bodies. A post implementation risk review is undertaken in order to assess the evolution, occurrence and effectiveness of mitigation of each identified risk, reported in the biennial WIPO Performance Report. In 2019, in response to an Internal Audit Recommendation, the first comprehensive facilitated risk assessments were undertaken with all 14 Funds-In-Trust (FIT) managers, resulting in 25 risks being recorded in ERM and monitored like other risks.

In terms of engaging governing bodies with the maturing of the risk management framework, the WIPO Accountability Framework and the WIPO Risk Appetite Statement were presented to the Program and Budget Committee that took note. For the 2022/23 biennium, the risk dialog was developed further, by the inclusion of pertinent externally facing cross-cutting Organizational risks in the in the Draft Proposed Program of Work and Budget for 2022/23.

Benchmark 5: Integration of risk management with key strategic and operational business processes.



WIPO revised its Organization-wide Risk Management Policy⁶ in 2017. Paragraph 3(b) of the Policy makes clear reference to RM in the context of the Organization’s strategic plan: “Risk management is a critical part of achieving the Organization’s strategic goals, expected results and project objectives, and is performed as an integral part of the Organization’s results-based biennial and annual planning cycles.”

Figure 4 - Risk embedded in RBM



The control framework for 2020 is summarized in an Assurance Summary, which is presented to the IAOC. In 2020, there was a significant increase in the controls identified for Information and Communication Technology, Information Security, Enterprise Solutions and HR Performance and Development. Improvements were also made with the development of a strategy that defines the increased use of data analytics for internal controls and an increase in the number of evidential documents attached to controls (from 67 in 2019 to 90 in 2020).

The RMG reviews the statements to be included in the annual report concerning internal controls and risk management. The Statement on Internal Control for 2020 was supported by a statement by the previous Director General for the period until September 30, 2020.

Informal JIU Recommendations:

A key indicator for this benchmark is that the policy and framework of ERM should be closely linked to an organization’s strategy and all business and planning processes, as well as its results framework.	Implemented
Integration of ERM into strategic, business and operational planning processes requires, as benchmark 3 indicates, a strong “tone at the top”, as well as investment and targeted commitments to update and/or enhance platforms and processes that would embed it into an organization’s planning, decision-making and organizational culture.	Implemented

Benchmark 6: Established systematic, coherent and dynamic risk management processes.



Risk Management processes are well defined, but not overly rigid. The risk manual in Figure 1 clearly documents the repeatable process of risk management and internal control management for the organization, sectors and projects. When the Organization was faced with the Covid-19 pandemic, an additional Organization-wide Covid-19 risk assessment was undertaken, which in turn informed re-planning efforts and risk responses.

Informal JIU Recommendations:

ERM processes should include a feedback loop, so that contributing staff in the organization can see how the risk information they collect, consolidate and report on can be useful for proactive and well-informed decision-making, effective management of resources and implementation of programs.	Implemented
Not only do ERM processes need to be tailored to an organization’s business model, they also need to be dynamic and agile in order to reflect the fundamental objectives and utility of ERM.	Implemented

⁶ Office Instruction N° 41/2017

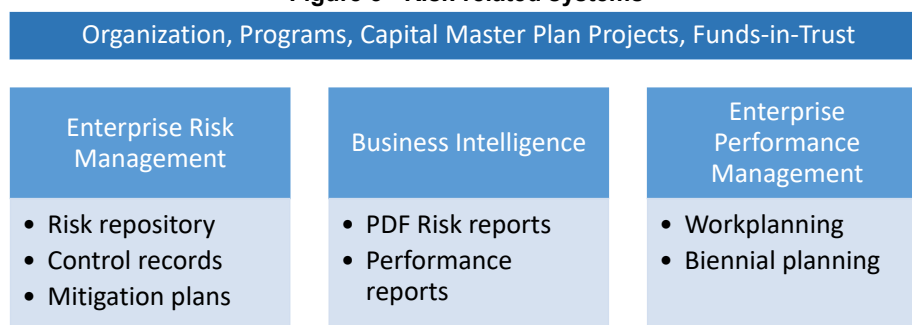
Benchmark 7: Effective use of information technology systems and tools for ERM.



WIPO's increasingly comprehensive framework of risks, actions and controls are recorded and available to all relevant staff in IT systems (Figure 5).

Figure 5 - Risk-related systems

WIPO has presented its IT system and approach and shared lessons learned with other organizations inside and outside the United Nations System. The ERM system tracks over 400 internal controls, any of which can be linked to associated risks. It tracks mitigation plans and alerts action owners when the implementation deadline is approaching.



Looking forward, analysis is being undertaken to assess the viability of moving to a cloud-based ERM system, in order to improve timeliness of software release implementation and reduce support costs. A fit-for-purpose fraud case repository is being considered for this biennium.

Informal JIU Recommendations:

Ideally, ERM should include a comprehensive system with relevant tools that are implemented to track and monitor risks across the organization and form part of a larger platform linked to other systems so that the processes can be streamlined and integrated	Implemented
The Inspectors encourage a dialogue among United Nations system organizations with similar business models to exchange experiences and practices regarding ERM platforms and their linkages with other information systems	Implemented

Benchmark 8: Communication and training plans to create risk awareness, promote risk policy, and establish risk capabilities for the implementation of ERM.



WIPO's ERM processes are well established. When introduced, classroom led training and a communication plan informed and updated stakeholders on the purpose, process and benefits.

With time, and a sufficient underlying Organizational knowledge base on risk management, training of the basics moved to online tutorials. Training priorities were focused on specific areas of risk – for example, in 2019 a Fraud Risk Awareness Campaign was launched, along with a mandatory training program. By the end of 2020, 97% of staff had completed the online course and passed the quiz. In 2020, a follow-up training session was held with higher risks staff involved in financial transactions focusing on ensuring staff are aware of scams and other fraudulent schemes.

Looking wider, WIPO has co-chaired the UN High Level Committee on Management (HLCM) Risk Management Task Force since 2019, which has been credited with promoting risk management's utility in the UN system. The HLCM endorsed the Task Force's reference maturity model⁷ to guide the implementation of Risk Management, and a number of guidance papers, as well as organizing cross-agency conversations on risks in the wake of the Covid-19 pandemic.

With reference to the JIU Recommendation 3, the Task Force has now been transformed into a sustainable Forum, to further promote and facilitate inter-agency cooperation, coordination, knowledge sharing and to explore shared risks associated with United Nations reform efforts.

⁷ Public document location <https://unsceb.org/rmtf>

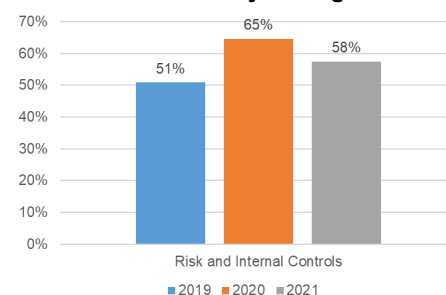
A survey sent to all staff at grades P5 and above in January of 2019, 2020 and 2021 suggests that awareness of WIPO's risk framework is above 75% for senior staff (Figure 6).

Figure 6 - Percentage of P5 and above respondents on risk awareness



The Organization articulates the importance of taking an acceptable level of risk, within its risk appetite, in pursuit of its expected results. The development of risk management as a core competency for senior management and, later, all staff, and the development of a comprehensive ERM staff development program are in progress. Risk management is partially recognized as a management competency and some training/ awareness courses concerning risk management are in place as part of a wider staff development program. However, 58% (Figure 7) of senior staff respondents in a survey believed there was still scope for improved understanding, which will be a further focus looking ahead.

Figure 7: Percentage of senior staff (grade P5 and above) respondents who believe that risk and internal controls management should be better understood by managers



Informal JIU Recommendation:

Additionally, a comprehensive training and communication plan for ERM is essential for its effective implementation and integration and should be tailored to the size and scope of an organization, as well as its approach to ERM	Implemented
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------

Benchmark 9: Periodic and structured review of effectiveness of ERM implementation for continuous improvement. 

An Annual Risk Management Report was presented to the Risk Management Group, who are responsible to review and endorse development of the Risk Management Framework and the IAOC. This includes an assessment of implementation of against the RMM. The current maturity stage and the target maturity stage, which are also referred to in the Draft Proposed Program of Work and Budget for 2022/23. ERM was last audited as a whole by Internal Audit in 2016. However, other relevant reports available to Member States, such as the IOD Report on Assurance Mapping of WIPO in 2020, and the Audit of Funds-in-Trust Managed by WIPO in 2019, resulted in recommendations being taken on board.

The External Auditor in the Annual Report and IAOC in quarterly reports have both in turn reported on risks and/or risk management to Member States. The External Auditor plans to look more closely at the WIPO Enterprise Risk Management Process and how it has evolved in their audit of 2021.

Informal JIU Recommendation:

In the view of the Inspectors, the Task Force's reference maturity model is a useful guidance tool for each organization to identify gaps and set its respective target maturity stage. A periodic self-assessment is recommended to review progress over time in reaching an identified ERM target maturity stage	Implemented
Once an organization has begun implementation of its ERM policy, periodic and independent assessments by auditors, evaluation functions or other independent advisers on the effectiveness of the policy and its associated processes should be encouraged and supported. Legislative/governing bodies should review and consider the results of these assessments.	Implemented

LIST OF ACTIVE⁸ JIU REPORTS RELEVANT TO WIPO AS AT END-MAY 2021

This annex serves to provide links to active JIU reports relevant to WIPO. All JIU reports, notes and management letters may be accessed/are available through the JIU's website. [LINK](#)

REFERENCE	LINK TO JIU REPORT	OUTSTANDING RECOMMEN-DATIONS (LB ⁹ and EH ¹⁰)	CEB COMMENTS	OTHER DOCUMENTS
 JIU/REP/2020/8	Review of mainstreaming environmental sustainability across organizations of the United Nations system	6 EH	Not yet available	Review Highlights
 JIU/REP/2020/7	Blockchain applications in the United Nations system: towards a state of readiness	2 LB 3 EH	Not yet available	Review Highlights
 JIU/REP/2020/6	Multilingualism in the United Nations system	3 LB 3 EH	Not yet available	Review Highlights
 JIU/REP/2020/5	Enterprise risk management: approaches and uses in United Nations system organizations	1 LB 2 EH	CEB Comments	Review Highlights and Appendix I
 JIU/REP/2020/2	Policies and platforms in support of learning: towards more coherence, coordination and convergence	1 LB 3 EH	CEB Comments	Review Highlights
 JIU/REP/2020/1	Review of the state of the investigation function: progress made in the United Nations system organizations in strengthening the investigation function	1 LB	CEB Comments	Review Highlights
JIU/REP/2019/9	Review of contemporary practices in the external outsourcing of services to commercial service providers by United Nations system organizations	1 EH	CEB Comments	Review Highlights
JIU/REP/2019/8	Review of staff exchange and similar inter-agency mobility measures in United Nations system organizations	1 EH	CEB Comments	Review Highlights

⁸ JIU reports containing outstanding recommendations, including all those included in the present report.

⁹ Subject to the endorsement of Member States in respect of recommendations addressed to WIPO's Legislative Bodies (LB).

¹⁰ The report on outstanding recommendations addressed to Executive Heads (EH) is presented to the Director General of WIPO, as well as to the IAOC.

REFERENCE	LINK TO JIU REPORT	OUTSTANDING RECOMMEN-DATIONS (LB ⁹ and EH ¹⁰)	CEB COMMENTS	OTHER DOCUMENTS
JIU/REP/2019/5	Managing cloud computing services in the United Nations system	1 EH	CEB Comments	Review Highlights
JIU/REP/2018/6	Enhancing accessibility for persons with disabilities to conferences and meetings of the United Nations system	4 EH	CEB Comments	Review Highlights
JIU/REP/2018/4	Review of whistle-blower policies and practices in the United Nations system organizations	1 EH	CEB Comments	JIU Response to CEB Comments
JIU/REP/2017/3	Review of air travel policies in the United Nations system: achieving efficiency gains and cost savings and enhancing harmonization	1 LB	CEB Comments	Full RBM Report
JIU/REP/2016/9	Safety and security in the United Nations system	3 EH	CEB Comments	

[End of Annex III and of document]