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INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS

Geneva

CONSULTATIVE COMMITTEE**Eighty-Ninth Session
Geneva, March 27, 2015****INTERNAL AUDIT AND 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 (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 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); 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 and investigation activities, 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 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 in the "Internal Audit Manual" and 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) concerns; and
- Historical data on fraud/wrongdoings.

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/) are covered by internal audit at WIPO. On the basis of the risk assessment of UPOV, there was no internal audit of UPOV in 2014 and the annual work plan of IOD for 2015 does not include an internal audit of UPOV. The Secretary-General has not been made aware of the need for any investigations in UPOV in 2014.

REPORTS OF THE WIPO INDEPENDENT ADVISORY OVERSIGHT COMMITTEE

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

8. The quarterly reports for 2014 of the WIPO Independent Advisory Oversight Committee (IAOC) (formerly WIPO Audit Committee) (documents WO/IAOC/32/2, WO/IAOC/33/2, WO/IAOC/34/2 and WO/IAOC/35/2 are available at <http://www.wipo.int/about-wipo/en/oversight/iaoc/>. There is no reference to UPOV in the IAOC quarterly reports for 2014.

9. The terms of reference of the IAOC, paragraph 13, provide as follows: “Based on its review of the Internal and External Audit functions of WIPO and its interactions with the Secretariat, the Independent Advisory Oversight Committee will 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 September 1, 2013, to August 31, 2014 (document WO/GA/46/1), is available at <http://www.wipo.int/about-wipo/en/oversight/iaoc/>.

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 2014 and the annual work plan of IOD for 2015 does not include an internal audit of UPOV;

(b) note that the Secretary-General has not been made aware of the need for any investigations in UPOV in 2014; and

(c) note the information contained in the IAOC quarterly reports for 2014 (documents WO/IAOC/32/2, WO/IAOC/33/2, WO/IAOC/34/2 and WO/IAOC/35/2), and in the IAOC Annual Report 2013-2014 (document WO/GA/46/1).

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