

## **Program and Budget Committee**

**Thirtieth Session**  
**Geneva, July 8 to 12, 2019**

### **ADDENDUM TO THE REPORT BY THE EXTERNAL AUDITOR**

*prepared by the Secretariat*

The present document (WO/PBC/30/4 Add.) contains the responses of WIPO's management to the recommendations made by the External Auditor, as set out in the "Report by the External Auditor" (document WO/PBC/30/4).

[Addendum to the Report by the  
External Auditor follows]

## **MANAGEMENT'S RESPONSES TO THE RECOMMENDATIONS MADE BY THE EXTERNAL AUDITOR**

### **Financial Management**

#### **RECOMMENDATION NO. 1**

Review the current composition of the financial commentary and consider the scope to make more concise disclosures within the financial statements, while maintaining compliance with the financial reporting standards.

#### **RESPONSE**

Management has accepted this recommendation.

#### **RECOMMENDATION NO. 2**

Develop a more systematic approach to reviewing balance sheet control accounts to ensure that receivables and payables are regularly analysed, and corrective action taken where necessary for aged and/or irrecoverable items.

#### **RESPONSE**

Management has accepted this recommendation. Management shall consider its approach to reviewing balance sheet control accounts, to ensure this is complete and fully documented going forward.

### **Governance and Assurance**

#### **RECOMMENDATION NO. 3**

Develop a strategy to leverage the power of analytic tools to enhance and automate the monitoring of core business processes, integrating these into the control environment as evidence to support the Statement on Internal Control.

#### **RESPONSE**

Management has accepted this recommendation.

#### **RECOMMENDATION NO. 4**

Consider aligning the IOD Planning and Reporting cycle to the financial period, allowing the outputs to feed into the SIC assurances.

## **RESPONSE**

IOD accepts this recommendation. However, It should be noted that in the transitional period for this alignment, the PBC and General Assembly will receive a 6 month report (July 2019 to December 2019) for the sessions in 2020.

## **Results-based management and Human Resources**

### **RECOMMENDATION NO. 5**

Review the scope to align the RBM and internal reporting framework, to ensure that internal reporting incorporates those indicators used for the RBM process. Align internal monitoring with the performance priorities and indicators identified in the Program and Budget and systematically record progress in implementing the work plans.

## **RESPONSE**

Management has accepted this recommendation.

### **RECOMMENDATION NO. 6**

Ensure that the key performance indicators for each program contain an appropriate balance of measures to align activities to the strategic goals.

## **RESPONSE**

Management has accepted this recommendation.

### **RECOMMENDATION NO. 7**

Consider the practicalities of the data systems which will be used to evidence performance at the design stage of indicators, to ensure that they will be capable of robustly collating and measuring key performance indicators at the outset of the 2020-21 Program and Budget.

## **RESPONSE**

Management has accepted this recommendation.

### **RECOMMENDATION NO. 8**

Reserve the category of “fully achieved” for future reporting of performance to Member States where achievement is, at least, 100 per cent of target values.

## **RESPONSE**

Assessing the achievement of indicators within a range is common results-based management practice. Management will therefore further explore this recommendation.

**RECOMMENDATION NO. 9**

Assess the extent to which existing performance indicators adequately measure progress in addressing the four priorities set out in the 2017-21 HR Strategy, with a view to developing new or replacement indicators where significant gaps or a disproportionate emphasis exist.

**RESPONSE**

Management has accepted this recommendation.

**RECOMMENDATION NO. 10**

Ensure that (a) the portfolio of performance indicators in the Program and Budget are capable of 'stand-alone' interpretation by Member States; and  
(b) that baselines and targets provide real indications of progress between biennia.

**RESPONSE**

Management has accepted this recommendation.

**RECOMMENDATION NO. 11**

Monitor implementation of actions from its 2018 Gender Parity Action Plan and reports on their progress (and early indications of impact) in future HR Reports.

**RESPONSE**

Management has accepted this recommendation.

**RECOMMENDATION NO. 12**

Work with Member States to resolve the lack of clarity around geographical representation of the workforce.

**RESPONSE**

Management has accepted this recommendation.

**RECOMMENDATION NO. 13**

Consider reviewing the effectiveness of its training offer, to ensure it meets current business needs and the talent management strategic priorities.

**Response**

Management has accepted this recommendation.

**RECOMMENDATION NO. 14**

Ensure it utilises the full range of performance assessment markings, as a means of targeting training and identifying underperformance.

**RESPONSE**

Management has accepted this recommendation.

**RECOMMENDATION NO. 15**

Consider ways in which the level of average staff absence can be reduced, and to introduce good practice techniques which require greater accountability for taking sickness absence, including consideration of return to work interviews.

**RESPONSE**

Management has accepted this recommendation.

**RECOMMENDATION NO. 16**

Undertake an annual staff survey to ascertain the baseline for measuring staff perceptions around the wide range of HR issues which underpin the strategic aims and to measure the effectiveness of HR policy and implementation. The survey could assess themes such as motivation, development, well-being, workplace harassment, management and transparency and to measure the staff perceptions of the support provided by enabling functions like HR.

**RESPONSE**

Management has accepted this recommendation.

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