Deloitte.

WIPO
WORLD
INTELLECTUAL PROPERTY
ORGANIZATION



World Intellectual Property Organization (WIPO)

Audit of Five Procurement Risk Areas

January 28, 2026

This report has been redacted in line with Internal Oversight Division's Report Publication Policy.

Table of Contents

1. Executive Summary 2

2. Detailed report 4

2.1 Introduction 4

2.2 Glossary 5

2.3 Objectives, scope, and procedures 6

2.4 Detailed observations 8

2.4.1 ICS processes require strengthened monitoring, justification, and oversight 8

2.4.2 Incomplete or a lack of vendor ownership and master data does not support effective ownership verification 14

2.4.3 Due diligence controls are inconsistently applied and insufficiently documented outside of the e-procurement system (Redacted) 19

2.4.4 Controls for procurement below CHF 20,000 rely on manual processes 21

2.4.5 Procurement above CHF 150,000 (CRC review) 24

3.1 Appendix 1 – Documentation 26

3.2 Appendix 2 – Attendance list 28

3.3 Appendix 3 – Report and risk rating 29

3.4 Appendix 4 – Vendor relationship overlap mapping 31

1. Executive Summary

Introduction

As requested by the WIPO Internal Oversight Division (IOD), Deloitte Consulting AG conducted an internal audit of WIPO's procurement activities between October and December 2025. The objective was to provide reasonable assurance on the design and operating effectiveness of procurement controls across five (5) key risk areas, including Individual Contractor Services (ICS), vendor ownership, due diligence processes, procurement below CHF 20,000, and procurement above CHF 150,000. The review also aimed to support the organisation in enhancing governance, transparency, and compliance throughout the procurement lifecycle.

Overall assessment

The audit concluded that WIPO's procurement control environment is **Partially Satisfactory, Major Improvement Needed**. The overall audit conclusion derived from the following Audit ratings by Key audit area:

Audit scope area	Rating
Individual Contractor Services (ICS)	Partially satisfactory, Major improvement needed
Vendor Ownership	Partially satisfactory, Major improvement needed
Due diligence processes	Satisfactory, Some improvement needed
Procurement below CHF 20,000	Satisfactory, Some improvement needed
Procurement above CHF 150,000	Satisfactory

We noted that several processes are functioning and improvement initiatives are underway. However, significant deviations from required control standards remain, particularly regarding the management of ICS engagements and the completeness of vendor ownership information. These issues reduce WIPO's ability to demonstrate effective oversight and compliance with internal and external requirements.

Other procurement areas, such as due diligence processes, procurements below CHF 20,000, and the CRC process for higher-value (above CHF 150'000) procurements, operate more reliably, with some improvement opportunities noted.

Key findings

The following findings represent the most material risks and are the primary drivers of the overall rating:

- ICS processes require strengthened monitoring, justification, and oversight: The monitoring of ICS duration, the documentation of renewal decisions, and the tracking of cumulative engagements across the organisation are prone to improvement. Missing or unreliable effort and deliverable information limit WIPO's ability to validate compliance with the ICS policy contract duration. Stronger HR involvement could help provide greater assurance.
- Incomplete or lack of vendor ownership and master data does not support effective ownership verification: Testing revealed significant gaps in the completeness and accuracy of key ownership and identification fields, including beneficial ownership, TAX IDs, banking information, and vendor contact details. While the underlying financial exposure was limited, the control deficiencies represent a high systemic risk, reducing WIPO's procurement ability to detect conflicts of interest, duplicate vendors, or inappropriate relationships.
- Due diligence controls are inconsistently applied and insufficiently documented outside of e-procurement system (Redacted): Due diligence evidence was missing or incomplete across manual

procurement channel (i.e., standard sourcing between CHF 20,000-75,000). Inconsistent execution of key checks, such as sanctions screening, financial integrity, and conflict-of-interest validations, limits WIPO's procurement ability to demonstrate adequate vendor assessment prior to contract award and introduces reputational and compliance risks.

Other Findings

- Controls for procurement below CHF 20,000 rely on manual processes: Despite the existence of direct-purchase controls, the reliance on buyers' manual PO-type selection and limited automated monitoring introduces some remaining risk exposure.
- Incomplete submission packages and incomplete justification narratives: Procurement above CHF 150,000 (CRC review) is generally satisfactory. The CRC process is well established, with improvements observed in recent reporting cycles. Remaining gaps primarily relate to the completeness of submission packages and clarity of justification narratives. These deviations do not indicate a systemic weakness.

High-level recommendations

To address these issues, the following general recommendations are proposed:

1. Strengthen ICS governance and monitoring
   Implement an integrated ICS oversight framework, that includes verification of alignment with the workplan, clearer renewal justification, enhanced duration/cumulative-engagement tracking, and targeted HR involvement.
2. Reinforce vendor master data governance and ownership verification
   Introduce mandatory ownership documentation requirements, strengthen validation rules in Redacted , and implement periodic data-quality reviews to ensure completeness of key identifiers.
3. Standardise and embed due diligence procedures across channels
   Align due diligence expectations across procurement methods, mandate evidence retention, and embed validation steps into system workflows (e.g., in Redacted) for consistent execution.
4. Automate and enhance monitoring for direct purchases
   Introduce PO-type validation rules and use analytics to detect split purchases or repeated supplier use.
5. Improve CRC submission completeness and justification quality
   Reinforce expectations for required submission components and ensure consistent documentation to support evaluation and approval decisions.

For more detailed findings and specific recommendations, please refer to the detailed observations below.

2. Detailed report

2.1 Introduction

Procurement supports WIPO's ability to deliver its programs by ensuring that goods and services are obtained in a timely, transparent, and cost-effective manner. As a specialized UN agency working with Member States, stakeholders, and global partners, WIPO relies on procurement processes that enable efficient delivery of its services and initiatives, thereby supporting the Organization's broader mandate to strengthen the global IP ecosystem.

Procurement activities must apply principles of fairness, competition, value for money, and accountability, while ensuring that Delegation of Authority rules, documentation requirements, and data standards are consistently followed. WIPO manages a variety of procurement arrangements—including standard contracts, Individual Contractor Services (ICS), partnerships, piggyback mechanisms, and direct procurement under CHF 20,000—which require structured procedures to maintain compliance and operational clarity. Reliable processes contribute to timely execution, better planning, and effective support to WIPO programs/sectors that serve WIPO's Member States and users of the international IP system.

In this context, under the supervision of WIPO's Internal Oversight Division (IOD) and based on its preliminary risk-based assessment, Deloitte reviewed procurement activities across five key risk areas, as defined in the Terms of Reference and summarized as follows:

- ICS – assessing the initiation, approval and management of ICS engagements, including documentation, Delegation of Authority (DoA) application, and alignment between contract terms and recorded spend.
- Vendor Ownership information – reviewing the completeness and reliability of vendor master data, including ownership, banking information, and potential vendor–staff linkages.
- Due diligence of vendors and ICS – examining the performance and evidence of due diligence checks, including screening, risk indicators, and consistency of documentation.
- Spend below CHF 20,000– evaluating purchasing patterns, use of low-value thresholds, and the extent to which such transactions reflect appropriate procedures and approval practices.
- Spend above CHF 150,000 – assessing sourcing steps, tendering and competitive procedures, as well as compliance with requirements applicable to high-value contracts.

It is important to highlight that spending between CHF 20,000 and CHF 150,000 was not in scope but may have been reviewed on an ad-hoc manner during our testing.

The audit covered the 2022–2025 period and relied on a combination of data analysis, documentation review, process walkthroughs, and targeted sample testing. Particular attention was given to the accuracy and completeness of information recorded in the system, the sequencing of procurement steps, and the interaction between operational units and procurement roles. These elements influence procurement responsiveness, alignment with policy requirements, and the overall ability of the organization to plan and execute activities efficiently.

By consolidating observations across these risk areas, this review provides WIPO management with a detailed view of how procurement processes are currently implemented and where increased clarity, consistency or system support could strengthen operational efficiency and control adherence. The following section presents the specific objectives and detailed scope of the review.

2.2 Glossary

Word	Definition
Piggyback	Procurement arrangement whereby a UN agency uses an existing competitively awarded contract or long-term agreement established by another UN agency instead of conducting its own tender.
AIMS	Administration Information Management System
TOR	Terms of reference
Redacted tool	e-Procurement system
Redacted	Software suite from Redacted that provides applications designed to help manage Human Resources, Finance, Supply Chain, and Customer Relationship Management (CRM) processes.
CRC	Contracts Review Committee
TALEO	WIPO JOBS: platform to advertise job posts

2.3 Objectives, scope, and procedures

The primary objective of this review was to provide reasonable assurance over the design, implementation and effectiveness of procurement processes across the five risk areas defined in the Terms of Reference. The audit aimed to assess whether procurement activities are performed in accordance with WIPO policies, whether controls are applied consistently, and whether transparency, fairness, and documentation standards are upheld.

Fieldwork was conducted from September 9, 2025, to November 12, 2025 (approximately 30 working days) by the Deloitte team.

The scope of the review covers procurement processes and related controls applicable to:

- Individual Contractor Services (ICS) – request initiation, justification, sourcing, approval, contracting, and renewal practices.
- Vendor Ownership– completeness and quality of vendor information, including beneficial ownership and linkage tests.
- Due diligence requirements for vendors and ICS – sanctions and reputational screening, financial checks where applicable, documentation, and approval standards.
- Procurement below CHF 20,000– simplified purchasing, compliance with threshold rules, and detection of potential split purchases.
- Procurement above CHF 150,000 – competitive sourcing, tender evaluation, award documentation, and governance of high-value procurement.

Excluded from this review are procurement categories outside the Terms Of References (TOR) and processes not related to the acquisition of goods, services, or ICS.

To achieve our primary objective and to further add value and improve WIPO's procurement operations, we performed the following:

Audit scope area	Audit work
1. Individual Contractor Services (ICS)	• Reviewed policies and procedures governing ICS requests, selection, and contracting. • Assessed justification requirements for ICS engagements, including purpose, expertise, and duration. • Tested compliance with approval workflows and Delegation of Authority (DoA). • Reviewed ICS renewal practices and evaluated whether sequential contracts may indirectly bypass procurement requirements. • Assessed documentation completeness, including TORs, CVs, evaluations, and contract amendments. • Performed targeted analytics on ICS contract sequences to identify potential bridging or repeated contracting patterns
2. Vendor Ownership	• Assessed completeness of vendor master data fields (ownership, bank details, identifiers, contact information). • Performed data-matching tests to identify vendors sharing bank accounts, addresses, or ownership indicators.

Audit scope area	Audit work
	• Conducted staff–vendor linkage checks based on available anonymised staff data reviewed onsite. • Assessed governance of master data creation, updates, and validations. • Reviewed availability and consistency of beneficial ownership information and opportunities for improvement.
3. Vendor and ICS due diligence	• Reviewed due-diligence requirements applicable to vendors and individual contractors. • Tested a sample of ICS and vendor files to assess whether mandatory checks were performed (sanctions, reputational screening, qualifications assessment, financial checks when applicable). • Assessed whether the due-diligence process is embedded in the system or performed manually. • Reviewed documentation supporting approvals under the DoA. • Evaluated consistency of CRC and escalation process for high-risk engagements.
4. Procurement below CHF 20,000	• Reviewed simplified procurement procedures and associated documentation requirements. • Tested a sample of transactions below CHF 20,000 for compliance with approvals, sourcing justification, and documentation. • Conducted split-purchase detection tests using Redacted data (full population 2022–2025). • Assessed evidence supporting price reasonableness and supplier selection. • Evaluated consistency of workflow approval practices for small-value procurement.
5. Procurement above CHF 150,000	• Reviewed end-to-end tender files including sourcing strategy, vendor qualification, evaluation criteria, and scoring. • Assessed compliance with competitive process requirements and transparency standards. • Evaluated segregation of duties and oversight mechanisms applied to high-value tenders. • Verified approval and award documentation, including justification for selected suppliers. • Reviewed completeness and traceability of documentation within the procurement file.

The period under review was 2022 – 2025 (i.e., from January 1, 2022, to September 1, 2025). Nevertheless, for any unusual items brought to our attention, we extended our procedures for a longer period.

2.4 Detailed observations

2.4.1 ICS processes require strengthened monitoring, justification, and oversight

2.4.1.1 Lack of effective monitoring of compliance against 24/36 month-rule

Based on the work performed, WIPO's ICS contract durations policy caps individual engagement at 24 months FTE within any rolling 36-month period (24/36 month-rule). However, the current systems, contract templates and processes do not capture or reconcile time/effort data (for time-based or deliverable-based contracts). As a result, compliance with the 24/36 rule cannot be reliably monitored, creating compliance, governance, planning and financial transparency risks.

Detailed findings:

As per Office Instruction N°03/2024, Article 26:

> "At any point in time, the provision of services by an Individual Contractor, the duration of an ICS contract, or a series of ICS contracts by the same Individual Contractor, is not to exceed the full-time equivalent of a total of 24 months over a 36-month period."

Subject to Article 4:

> "For the registration systems and for translation services provided by the Language Division, where the operating model relies on outsourcing to individual service providers, special guidelines for non-staff contracts covered by this Office Instruction shall be considered upon request."

Based on interview and walkthrough with the respective management, we noted that:

- The ICS accreditation process, i.e. confirmation of Purchase Request to Purchase Order by the respective buyer implicitly implies that the contract duration was reviewed and within policy tolerance.
- AIMS includes a maximum contract amount field for all ICS contracts, which is used for time-based ICS to support budgetary control and prevent overspending. The maximum amount could be used as a preventive control for the contract duration.

However,

- A lack of reliable information to monitor ICS duration compliance:

  Based on our testing, we noted that in 86% of ICS transactions sampled (12 out of 14), no formal documentation was available to formally support the control of review of supporting documentation over contract duration by buyers, when validating the PR.

  > Note, 6 out of the above 12 exceptions were ICS contracts related to PCT translations, and were, thus, excluded from the application on the 24/36-month duration rule, as per Article 4. However, the current exclusion relies on a high-level risk acceptance, as it does not explicitly address contract duration risk.

  Based on interviews, we noted that the maximum contract amount is manually maintained and not systematically supported by formal documentation to ensure contract duration compliance.

  Based on inquiry and in the absence of supporting documentation, we understood that there was neither any operational KPI nor any dashboard to measure compliance for individual or simultaneous contracts or contract extensions, whatever the type of ICS contracts (i.e., time-based or delivery-based), nor any control to monitor documentation existence and quality.

Note, based on our testing, 66% of instances (10 out of 15) showed ICS contracts with gaps of less than 90 days or overlapping periods, lacking adequate documentation or approval rationale. Complementary data analysis indicated that 22% of cases (1,501 out of 6,929) had gaps between ICS contracts shorter than 90 days.

- An absence of actual time/effort capture which prevents reconciliation with planned workload:

  The organisation did not capture actual hours worked by ICS in the contracting system; therefore, it could not calculate effective duration of engagements in FTE or detect cumulative overruns across contracts or teams.

  Based on our testing, in 50% of ICS transactions tested (7 out of 14), there was no supporting evidence (e.g. time records) to be reconciled with contracts to verify adherence to the Terms of Reference or to ensure compliance with the 24/36 rule.

  Note, as an ICS could be engaged part-time across multiple assignments, the absence of time capture may also lead to cumulative engagements exceeding the policy limit.

- A lack of systematic supporting documentation for deliverable-based contracts:

  Considering their nature, deliverable-based or Long-Term Agreement (LTA) ICS contracts were not monitored for adherence to the 24/36 rule. Testing showed that contract files lacked sufficient information (e.g., indicative time requirement or underlying call-offs) to support compliance.

Root causes:

- ERP time-tracking deficiencies: The ERP and contract files lack mandatory fields to capture or reconcile effort/time data, preventing reliable validation of duration.
- Manual duration monitoring: Monitoring practices rely on manual interpretation of fragmented data, increasing potential inconsistency.
- Inconsistent consolidation across multiple contracts: No automated control aggregates all ICS contracts held by the same resource, limiting transparency.

Risk(s):

- Compliance: Lack of formal evidence of control over ICS contract duration may lead to inability to demonstrate compliance with the 24/36 rule, thus may expose WIPO to legal disputes and potential contract requalification.

Recommendations:

To mitigate the above risks, we recommend that management:

#	Recommendation detail	Implementation Timeframe
2.4.1.1.1	Review and clarify the PCT translation exclusion framework: Reassess and document the rationale for excluding PCT translation ICS contracts from duration monitoring.	Within 3 months
2.4.1.1.2	Maintain sufficient documentation for new deliverable-based and LTA ICS: For all new deliverable-based or accredited ICS contracts, either require a time-based effort estimate per deliverable or attach all related call-offs to the respective contract to facilitate contract duration review.	Within 3 months

2.4.1.1.3	Strengthen internal reporting: Introduce a monthly time monitoring mechanism where each unit will report time spent by ICS. Create a consolidated view of ICS usage across WIPO. For example, through deploying an IT tracker (e.g. in Excel or SharePoint) to: o Consolidate ICS contractor name, % of working time, engagement start date and cumulative FTE months to provide a single source of truth for expected hours. o Monitor and flag any individual ICS who have more than one contract within a 36-month window to Procurement and HR for review and implement corrective actions (if required). o Highlight ICS engagements requiring oversight (e.g., approaching the 24-months-in-36 threshold, renewals/extensions, multi-unit engagements, etc.).	Within 3 months

Management comment:

The Administration, Finance & Management Sector (AFMS) management acknowledges a compliance risk that may exist, particularly for time/effort ICS contracts, in accordance with the above observation.

The rule was introduced to mitigate the risks associated with the longer-term use of an individual ICS, in particular where the task may become a continuing activity and so less suited to the use of an ICS.

In general, successful ICS engagements tend to be task-based (rather than time/effort based), documented in the workplan of the Sector. We see risks from asking managers to monitor hours worked, including the risk that it distracts from delivery of the task.

Having considered the analysis, we feel that the existing 24/36 rule risks placing the focus on hours, rather than outcomes.

However, we do accept that there might be risks arising from the same contractor undertaking work for WIPO for a protracted period of time and this could be better monitored and controlled.

AFMS proposes to address the acknowledged risk through the following action plan.

Action	Responsible person	Due dates
WIPO will review the ICS regulatory framework to determine, *inter alia*, if the 24/36 rule is still fit for purpose. In conjunction, WIPO will reassess and document the approach towards PCT translation ICS contracts. Closure criteria: publication of the amended policy / manual if needed.	Redacted	01.10.2026
As an interim measure until the completion of the above review, WIPO will develop a monitoring tool limited to time/effort-based ICS contracts that enables efficient control and facilitates compliance checks. (The tool may be further adapted after any ICS OI revision). Closure criteria: Release of monitoring tool by CSD	Redacted	30.04.2026
Procurement Section will explore the possibility to elaborate non-staff requirement at workplan stage.	Redacted	Closure of work planning process

Closure criteria: ESD assessment of feasibility, work planning process for 2027 better captures non-staff requirements.	2027, as per PPBD timetable

2.4.1.2 Inappropriate justification for consecutive or simultaneous ICS contracts

Based on the work performed, we noted several instances where the same ICS was reinstated after short gaps (shorter than 90 days) or with overlapping periods. In 66% of cases tested (10 out of 15), the justification provided for the continuity, renewal, or selection of contractors was insufficient to constitute a concrete rationale. These documentation gaps limited the ability to assess whether contract extensions or renewals were appropriate, increasing risks of inappropriate extensions, duplication of roles, and weakened oversight.

Detailed findings:

- Lack of systematic justification for continuity and renewals:

  Based on interview and walkthrough with respective management, we understood that extension or renewal of existing ICS contracts and the use of the same individual for successive / simultaneous engagements should be supported by a related rationale.

  However, based on our testing, we noted that in 66% of the cases sampled (10 out of 15), respective files did not contain any formal justification explaining the reason for extension, renewal, or simultaneous engagements.

Root causes:

- Template and documentation inconsistencies: Current ICS templates do not require a dedicated renewal justification section, leading to inconsistent narratives and missing rationales.
- Reliance on manual practices: Renewal and continuity decisions depend on informal communication rather than a formalised approval workflow, causing gaps in documentation and justification.
- Limited oversight mechanisms: AIMS does not enable monitoring of ICS contracts by resource, without manual workaround, making it difficult to identify multi-contract situations, overlaps or rapid re-engagements.

Risk(s):

- Reduced transparency over ICS utilisation and misalignment with objectives: Without consistent documentation, WIPO cannot demonstrate that ICS re-engagements align with business needs and policy requirements. For example, short, successive contracts or overlapping assignments may bypass intended controls and prolong engagements without adequate justification.
- Shadow headcount or role duplication: Overlapping ICS contracts may conceal the true FTE count, blurring distinctions between ICS and staff roles.
- Governance and auditability gaps: Inconsistent documentation weakens the organisation's ability to evidence compliance and respond to internal or external investigation.

Recommendations:

To mitigate the above risks, we recommend that management:

#	Recommendation detail	Implementation Timeframe
2.4.1.2.1	Develop consistent documentation for renewals, short gaps and overlaps: Introduce, for example, a standard one-page justification form to be completed for (a) renewals, (b) contract gaps under 90 days, and (c) overlapping contracts. The form could capture rationale, estimated effort (or % time), alternatives considered, HR input (if applicable, e.g., not in workplan or risk of contract hopping) and a brief value-for-money check.	Within 3 months

Management comment:

The AFMS management accepts that renewals or extensions could be better substantiated by the requesting units in relation to their workplan activities and proposes the action plan set out below to address the risks associated with this observation.

Action	Responsible person	Due dates
Requesting units will be asked to ensure that the business need for ICS renewals or re-engagements is fully reflected in their respective workplan. Procurement Section will request that justifications for an extension of ICS contract refer to their respective workplan and, where necessary, workplans should be updated and approved. Closure Criteria: publication of the updated guidance.	Redacted	31.03.2026

2.4.1.3 Inadequate Human Resources (HR) oversight on high-risk ICS approval or monitoring

Based on the work performed, we noted that HR was not involved in ICS management. HR did not participate in approvals, monitoring of contract durations, or renewal decisions, reduced oversight and limited control of ICS workforce risks.

Detailed findings:

- Limited HR involvement in ICS lifecycle processes:

  Based on our discussion with the HR Director, we understood that HR was involved when there was a risk of contract hopping or in case of a former employee hiring as ICS. HR was also involved in the workplan discussions to validate the justification for ICS.

  However, based on our testing sample, we noted HR was not involved in the processes governing ICS approvals, contract duration monitoring, renewals, or cumulative engagement assessments.

  As a result, ICS oversight relied on operational practices alone, and HR could not independently assess risks such as poor Terms of Reference (TOR), especially specialized, time-bound, and deliverable-based TORs for ICS, prolonged engagements, potential breaches of duration limits or risk of hidden staff.

Root causes:

- Limited HR involvement in process design: ICS processes were designed without a clear HR role and responsibilities. Process maps and governance show little or no HR representation beyond the workplan development.
- Lack of monitoring infrastructure: No dashboard, tracker, or centralised mechanism allows HR to monitor cumulative ICS commitments or flag cases requiring review.

Risk(s):

- Staff-like roles: ICS may effectively perform staff-equivalent duties without HR visibility or workforce assessment, increasing misclassification and employment-related risks.
- Workforce planning gaps: HR cannot assess ICS dependency, cumulative workload or potential organisational risks, limiting the ability to plan resourcing requirements and ensure balanced workforce composition.

Recommendations:

To mitigate the above risks, we recommend that management:

#	Recommendation detail	Implementation Timeframe
2.4.1.3.1	HR role in ICS oversight: Add a mandatory HR sign-off field on high amount ICS (threshold to be defined) or where expected duration may exceed 24-month FTE, confirming review of justification, duration, TOR and compensation.	Within 3 months

Management comment:

The AFMS management and HRMD acknowledge that the link to the workplan is essential and, based upon the above observation and related risks, will implement the following action plan.

Action	Responsible person	Due dates
The Procurement Section and HRMD will establish an SOP to identify at the planning stage in which cases HR approval should be obtained and will communicate to the Programs accordingly. Closure criteria: Validation of this SOP by both areas and communication to Programs.	Redacted	30.04.2026

2.4.2 Incomplete or a lack of vendor ownership and master data does not support effective ownership verification

2.4.2.1 Insufficient vendor master data to support effective ownership verification

Our review of vendor master data showed that several ownership and identification fields were systematically incomplete or unavailable for 3,958 active vendors. Beneficial ownership, TAX ID and shareholder information were not captured at all for active vendors. Banking information was also inconsistent. As a result, vendor data could not be used as a reliable source for detecting patterns of behaviour or fraud prevention, such as detecting related-party or duplicate vendor relationships.

Detailed findings:

- Missing ownership and identification data:

  Based on sample testing undertaken, beneficial ownership, shareholder information, and TAX ID were not captured in the vendor master data, and TAX ID records were not maintained. These gaps weaken the organization's ability to confirm vendor ownership structures or perform targeted ownership checks.

- Inconsistent bank information:

  Based on sample testing done, the banking fields were inconsistently populated. Specifically, 2% (96 out of 3,958) of active vendors had no bank account information recorded. Among these, fifty vendors had purchase orders during the audited period. These transactions are understood to have been paid by credit card, as these vendors were indicated as not accepting bank transfers.

  1.3% (27 of 2,219) of vendors in countries that required IBANs had missing IBANs. By inquiry, we noted that this situation was related to either old suppliers not updated when IBAN rules started, vendors having multiple accounts but only using those with IBANs, or vendors based in countries, where IBAN settings need fixing due to data issues.

- Gaps in contact information:

  Contact fields were not consistently maintained. Based on our sample testing, 48% of vendor phone numbers and 58% of email addresses were missing or inconsistently populated, which prevent the organisation from validating vendor identities, confirming relationships, or performing data quality checks across the vendor population.

Root causes:

- Lack of mandatory fields: Vendor onboarding does not require recording TAX ID, beneficial ownership, or full contact details, and historical entries were created without validation checks.
- System configuration limitations: Redacted does not enforce mandatory data fields for TAX ID or complete banking details, allowing vendors to be created with incomplete or inconsistent information.
- Absence of periodic data cleansing: While inactive vendors were indicated as reviewed weekly, no periodic review exists for volatile master data (contact and bank information)

Risk(s):

- Contracting shell companies: Missing ownership information increases the likelihood of contracting with shell companies established, through collusion, to contract with the organization.
  The vulnerability is further increased by the fact that the Direct Purchase acquisition process (below 20,000 CHF) is not subject to a formal procurement (with the user often recommending the vendor) and under the Request for Quotation selection process (between 20,000 CHF and 75,000 CHF) the user recommends at least three qualified candidates in the market.
- Ownership links: Missing ownership and TAX ID information increases the likelihood of undetected related-party vendors or conflicts of interest. This also implies an inability to detect coordinated bidding and vendor collusion.
- Duplicate or split vendor profiles: Weak identification information increases the likelihood of duplicate or split vendor records, weakening automated reconciliation and vendor monitoring.
- Operational & payment risks: Missing or inconsistent banking details may delay payments, increase manual intervention, or raise the risk of payment errors.
- Reduced effectiveness of third-party risk management and due diligence: Incomplete ownership and identification information limit the organization's ability to perform adequate compliance and sanctions screening.

Recommendations:

To mitigate the above risks, we recommend that management:

#	Recommendation detail	Implementation Timeframe
2.4.2.1.1	Ensure a risk-based approach for an immediate remediation: Implement a structured risk-based approach and require vendors to provide mandatory ownership, TAX ID, phone, email, and updated bank details. Implement risk acceptance process with clear accountability in case of the unavailability of the information.	Within 3 months
2.4.2.1.2	Basic ultimate beneficial owner (UBO) verification requirement: Request a signed declaration of ultimate beneficial ownership for all new vendors. For existing vendors, collect UBO declarations during renewal or contract extension.	Within 3 months
2.4.2.1.3	Strengthen data quality controls: Implement automated completeness checks and format validations, standardize historical entries and remove obsolete or inconsistent records.	Within 3 months
2.4.2.1.4	Configure system controls to enforce completeness: Set up validation rules in Redacted to make key fields mandatory (bank information, TAX ID, contact email, phone number).	Within 3 months

Management comment:

The AFMS management recognises that master data could be strengthened. Whilst the underlying financial exposure is limited, a strengthened approach may help to identify and discourage fraudulent activities. In light of this, it proposes to implement the following action plan, which would allow for better data analytics and pattern identification.

Action	Responsible person	Due dates
WIPO will request a declaration of ultimate beneficial ownership for all active commercial-entity vendors and store such information in AIMS. WIPO will develop a risk-based SOP to establish a process where a supplier does not provide this information etc. Closure criteria - implementation of supplier information sheet and new SOP. We will review this process after 24 months to determine its efficacy.	Redacted	31.07.2026
WIPO will implement tools to perform system controls to check the completeness of the data fields deemed most useful in identifying fraudulent patterns. Closure criteria – new tools implemented	Redacted	31.07.2026

2.4.2.2 Existence of shared ownership and contact attributes among vendors

Our review of vendor relationships identified multiple instances where different vendors shared the same ownership or contact attributes. Whilst adequate explanations were provided for the identified vendors, there would be benefits from monitoring this data for related-party relationships, coordinated vendor behavior, or potential duplicate vendor records.

Detailed findings:

- Shared bank account and IBAN:

  Based on our review, there were several instances where multiple vendors were linked to the same bank account information. A total of 36 bank accounts, including 19 IBANs, were shared across different vendors. In certain cases, up to four vendors were associated with the same bank account. While a rationale justification was provided for 9 samples of shared bank information, CSD is advised to review the full population of common bank information.

- Shared contact details and physical addresses:

  Based on sample testing, 11 phone numbers, 2 email addresses, and 54 physical addresses were used by more than one vendor. These shared identifiers may have indicated related entities, outdated profiles, or incorrect master-data updates. While a rationale justification was provided for 6 samples of shared contact details, CSD is advised to review the full population of common details and physical addresses.

- Missing documentation of vendor relationships:

  Vendor files did not include information establishing whether shared identifiers represented legitimate relationships or required remediation. Based on an interview with the respective management, we understood that following a recent investigation, since December 2025, a control has been implemented to identify vendors with duplicate/shared information; refer to Action 1 below for more information.

  To support further review, a complete vendor relationship mapping report is included in this report; please refer to 2.5.4 Appendix 4 – Vendor relationship overlap mapping for more information.

Root causes:

- Inconsistent validation of vendor creation: Vendor creation processes enable new profiles to be created without consistently verifying existing records.
- Absence of automated duplicate-detection controls: Redacted and the control framework do not enforce automated checks to identify vendors with matching financial or contact attributes.
- Absence of periodic data cleansing: While inactive vendors are indicated to be reviewed weekly, no periodic review exists for volatile master data (contact and bank information)

Risk(s):

- Exposure to fraud or misuse of financial information: Shared information (e.g., IBAN or physical address) among vendors may increase the risk of fraud, payment errors, regulatory non-compliance, and operational inefficiencies.

- Reduced effectiveness of compliance and due diligence processes: Inconsistent or outdated vendor data undermines the reliability of sanctions screening and due diligence activities, limiting the organization's ability to detect risks associated with vendor identities.

Recommendations:

To mitigate the above risks, we recommend that management:

#	Recommendation detail	Implementation Timeframe
2.4.2.2.1	Implement automated duplicate-detection rules: Configure system controls to flag shared identifiers (bank accounts, IBANs, phone numbers, postal addresses, emails) and require review before vendor approval.	Within 3/6 months
2.4.2.2.2	Flag clusters with high cumulative spend for additional due diligence: Periodically (e.g. monthly) review vendors sharing IBANs, phones, addresses, or emails and require justification where overlaps exist. Prioritise the review of the high-risk and high-spend bank information clusters and all phone/email/address overlaps identified.	Within 3 months

Management comment:

AFMS management acknowledges that Master Data quality may be further strengthened, in so far as the cost of so doing remains proportionate to the risk. It proposes the following to address the risks underlying this section.

Action	Responsible person	Due dates
Configure system controls to flag shared key identifiers and require review before vendor approval. Closure criteria: new tools implemented	Redacted	30.09.2026
WIPO's Central Service Division will use analytics on a regular basis to cross-analyse Direct Purchase orders for suppliers with the same address (via postcode search), same contact email, same bank account identification. This can be run across all suppliers and not just Direct Purchase. Rationale for all false positives will be retained. Closure Criteria: Completion of the first analytics review after the date of this report and a timetable set for future reviews.	Redacted	30.04.2026

2.4.3 Due diligence controls are inconsistently applied and insufficiently documented outside of the e-procurement system (Redacted)

2.4.3.1 Missing or incomplete documentation of due diligence requirements across procurement channels

Testing of due diligence requirements across a sample of 15 contracts identified 3 deviations (20%), primarily within procurement channels that operated through manual procedures or processes not yet aligned with WIPO's due diligence framework. Missing or incomplete documentation included supplier verification templates, declarations of no conflict of interest, interview evidence, and/or TORs. Exceptions occurred in Standard Sourcing below CHF 75,000 (1 instance) and Partnership (1 instance). Although no exception was noted for piggy-back or high-value contracts, piggy-back workflows remained manual and dependent on external partner documentation. These results highlighted inconsistencies in due diligence execution and documentation, particularly in non-standard or transitional procurement channels.

Detailed findings:

- Standard sourcing for RFQs (CHF 20,000 – CHF 75,000), missing due diligence components:

  As per the Standard operating procedure for Requestors' management of RFQs:

  > "Complete ToRs [Terms of Reference] must be prepared by the Requestor, including minimum technical mandatory requirements"
  >
  > "The PS [Procurement Section] reviews the competitive process carried out, verifies that the proposed company is eligible (i.e. supplier must not be debarred by the UN or the World Bank)"

  Based on an interview with the respective management, we understood that ToR applicability requires flexibility depending on the nature of services (e.g., events).

  However,

  Based on our testing, we noted one exception out of the two samples tested in this category. The contract lacked several required elements: Terms of Reference (TOR) and Supplier Due Diligence Template.

- Partnership contract missing due diligence:

  As per interviews and inquiry, partnerships are not managed through the Procurement function and are instead subject to a dedicated partnership governance framework.

  Nevertheless,

  Based on our testing, one partnership contract reviewed was signed before the implementation of the governance framework and lacked evidence of due diligence.

Root causes:

- Manual and non-system-embedded due diligence workflows: Key due diligence steps for Standard Sourcing, Partnership and ICS are performed outside the Redacted system, resulting in inconsistent documentation and incomplete audit trails.
- Insufficient control enforcement: Current workflows allow progression to award or signature even when required due diligence documentation is missing.

Risk(s):

- Insufficient supplier vetting: Missing due diligence steps increase the risk of engaging suppliers with poor qualifications, negative past performance, or integrity concerns.
- Lack of demonstrable compliance: Incomplete documentation weakens the ability to show adherence to procurement policy during audits or external reviews.
- Process inconsistency and operational exposure: Manual and decentralized due diligence increase variability in execution and elevate the risk of oversight or omission.

Recommendations:

To mitigate the above risks, we recommend that management:

#	Recommendation detail	Implementation Timeframe
2.4.3.1.1	Implement periodic quality checks: Introduce systematic periodic (e.g. quarterly) reviews to confirm completion and retention of due diligence documentation.	Within 6 months
2.4.3.1.2	Embed due diligence for standard sourcing for RFQs (CHF 20,000 – CHF 75,000), ICS, piggyback and partnership into the system: Require mandatory upload of due diligence documentation as per the defined process in the SharePoint and in Redacted tools.	Within 6 months
2.4.3.1.3	Deliver targeted training: Provide training to reinforce due diligence expectations, documentation standards, and the importance of alignment across procurement channels.	Within 6 months

Management comment:

AFMS management accepts recommendations 2.4.3.1.1 and 2.4.3.1.3.

For 2.4.3.1.2, we confirm that all RFQs, ICS and piggybacks are already subject to the requirement to upload mandatory due diligence documentation in SharePoint and/or Redacted tools, and that this requirement will be reinforced. Partnerships are now managed under a specific framework, rather than applying the procurement processes, and, due diligence documentation in accordance with its own Partnership Standard Operating Procedures, including review by the Partnership Review Committee, is held in SharePoint within the Global Challenges and Partnerships Sector. We therefore consider that this recommendation can be closed.

Action	Responsible person	Due dates
Introduce systematic periodic reviews to confirm completion and retention of due diligence documentation. Closure criteria: Confirmation of the completion of the first of systematic periodic reviews.	Redacted	31.07.2026
Provide training/instruction across procurement channels to reinforce due diligence expectations, documentation standards, and the importance of alignment. Closure criteria: Confirmation from Head of Procurement Section that such training/instruction has been completed.	Redacted	31.07.2026

2.4.4 Controls for procurement below CHF 20,000 rely on manual processes

2.4.4.1 Lack of detective control over Competitive Procurement below CHF 20,000

Based on the work performed, we noted that when approving a Purchase Request (PR) for purchase below CHF 20,000, buyers can manually select the Purchase Order (PO) type; the PO type will be either marked as Direct Purchase (DP) or Competitive Purchase (COM). However, there is no detective control to ensure that buyers have selected the appropriate PO type, what may hinder subsequent control performed only on DP purchase.

Detailed Findings:

As per WIPO Procurement Manual pursuant to Office Instruction No. 32/2017:

> "For Direct Purchase (less than 20,000 Swiss Francs) (...) the Requester and PS shall verify the reasonableness of the offer and if there is a current contract or LTA to meet the requirements. If there is a contract or LTA, the purchase shall be made under the existing contractual document."

Based on walkthrough with respective management, we noted that when buyers change the PO type to COM, they will generally add a note to the transaction to refer to the competitive process.

Note, initially the PO type was implemented for monitoring purpose (i.e., monitoring DP percentage against total spend).

However,

There was no detective control to ensure that buyers have selected the appropriate PO type, i.e. that competitive bidding (min. 2 vendors) has been performed and documented in case of COM. This control is important because Procurement team is performing additional (detective) controls on only DP purchase.

Root Causes:

- Reliance on self-classification: Procurement control design assumes correct PO-type selection by buyers.

Risk(s):

- Bypassing direct purchase controls: Incorrect PO type selection may result in no verification of potential splitting or justification requirements.
- Misrepresentation of procurement KPI: Procurement may rely on inaccurate PO-type information when monitoring performance.

Recommendations:

The Respective AFMS management acknowledges the above risk and agree with the proposed mitigation action.

#	Recommendation detail	Implementation Timeframe
2.4.4.1.1	Implement detective controls: Regularly (e.g., monthly) perform a spot-check (e.g. perform a sample testing) on PO type COM (competitive process / alternative procedure) for purchase below CHF 20,000 to ensure the existence of appropriate documentation, and implement corrective actions (i.e. change PO type to DP) (if required)	Within 6 months

Management comment:

The AFMS management acknowledges the above risk and agree with the proposed mitigation action.

Action	Responsible person	Due dates
Procurement Section will regularly review on a sampling basis PO type COM (competitive process / alternative procedure) for purchase below CHF 20,000 to ensure the existence of appropriate documentation and implement corrective actions (i.e. change PO type to DP) (if required). Closure criteria: Completion of the first such review on a sampling basis.	Redacted	31.07.2026

2.4.4.2 Manual monitoring of Direct Procurement below CHF 20,000

Monitoring of direct purchases below CHF 20,000 relied entirely on manual controls performed by buyers at PR approval stage. Testing confirmed that this control was executed effectively across our sample.

However, there is no automated control in place to validate aggregated patterns across suppliers or requesters.

Detailed findings:

As per WIPO Procurement Manual pursuant to Office Instruction No. 32/2017:

> "PS shall also verify that the threshold established for direct purchase [below CHF 20'000] is not reached. The cumulative number of requisitions for similar goods, services or works with the same supplier, made within the same calendar year, may count towards reaching this threshold. PS shall be responsible for regularly monitoring the use of Direct Purchase and shall consider if, in the best interest of WIPO, other procurement processes may be more appropriate"

Based on walkthrough with respective management, we acknowledged that:

- Buyers perform a manual review at PR approval to confirm that direct purchases below 20'000 CHF are not linked to existing contracts and do not correspond to a split purchase with the same vendor. Confirmation of PR to PO by respective buyer implicitly implies that the checks required have been completed and did not identify any exception.
- Procurement periodically analyses aggregated low-value purchases by category to identify recurring spend patterns and monitor overall compliance.

However,

There is no automated control in place to validate aggregated patterns across suppliers or requesters.

Root causes:

- System limitations: No rules engine or monitoring automation for low-value exception detection.
- Decentralised responsibility: Oversight is fully delegated to buyers without detective control(s).

Risk(s):

- Reliance risk: Control effectiveness depends entirely on buyer diligence; errors may go undetected.
- Undetected split purchases: Patterns only visible in aggregated data may remain unnoticed.
- Policy circumvention: Absence of detective monitoring increases exposure to repeated small transactions below thresholds.

Recommendations:

To mitigate the above risks, we recommend that management:

#	Recommendation detail	Implementation Timeframe
2.4.4.2.1	Automated exception detection and monitoring: Configure data analytics rules across procurement transactions to flag repeated purchases by supplier/requester, cumulative spend thresholds and sequential transactions. Provide consolidated visibility on key indicators and escalation triggers	Within 3 months

Management comment:

AFMS management acknowledges the risks associated with manual reviews of the Direct Purchase cumulative values for the same supplier and considers that recent management action in MIR M26-24 to conduct periodic data analysis of aggregated low-value purchases by category to identify recurring spend patterns and monitor overall compliance addresses the substance of these comments. However, it agrees to implement the following action plan.

Action	Responsible person	Due dates
WIPO will introduce an analytics tool that will identify repeat purchases by the same supplier/requester, and findings will be documented and escalated when necessary. Closure criteria – Completion of the first analytics review after the date of this report and timetable set for future reviews.	Redacted	30.04.2026

2.4.5 Procurement above CHF 150,000 (CRC review)

2.4.5.1 Incomplete submission packages and incomplete justification narratives

Based on the work performed, we noted that while the CRC process was generally followed, there were recurrent opportunities to align more closely with best practice. CRC engagement often occurred late in the procurement lifecycle, submission packs commonly omitted key materials (e.g., completed evaluation matrices, due-diligence evidence and a contract-management plan), and documentation was not consistently standardised or version-controlled.

Detailed findings:

- Vendor performance plans were not yet consistently included in submission packs:

  While not mandatory, vendor performance management plans were not included in the reviewed files.

  Including these plans would have supported CRC in understanding the long-term oversight framework for the contract, ensured post-award obligations are clearly defined, and contributed to more complete documentation for high-value procurements.

- Evaluation matrices documentation had improved but remained partially inconsistent:

  While acknowledging some improvements (e.g., attachment of full Redacted documentation to CRC submissions), testing showed that in 43% (3 out of 7) of the contracts tested, evaluation matrices were incomplete (e.g., evaluation matrices lacked justification narratives, particularly regarding clarity of scoring rationale).

Root causes:

- Evolving process maturity: Improvements (e.g., Redacted inclusion) are recent, and standardisation continues to develop.

Risk(s):

- Reduced transparency over contract performance: Absence of vendor performance management plans may lead to suboptimal vendor performance over the contract.

Recommendations:

To mitigate the above risks, we recommend that management:

#	Recommendation detail	Implementation Timeframe
2.4.5.1.1	Integrate vendor performance plans into CRC submission packs: Require a brief plan outlining roles, responsibilities, and key post-award monitoring elements.	Within 6 months

Management comment:
Recommendation 2.4.5.1.1 is accepted.

Action	Responsible person	Due dates
WIPO will provide the CRC with key post-award monitoring elements. Closure criteria – Update of CRC templates to provide this information.	Redacted	30.04.2026

3.1 Appendix 1 – Documentation

During our audit, we obtained and reviewed the following key documents (list not exhaustive):

Redacted

Redacted

3.2 Appendix 2 – Attendance list

During our review, we met and exchanged with the following stakeholders regarding their role in the audit procurement or the content of this report, or the following stakeholders attended the closing meeting:

Name	Function
Redacted	Assistant Director General
	Director Human Resources Management Department
	Director, IOD
	Senior Internal Auditor
	Associate Oversight Officer
	Senior Internal Auditor
	Director Procurement and Travel
	Head Procurement Section
	Senior Legal Officer
	Senior Functional Analyst
	Procurement Officer
	Associate Procurement Officer
	Associate Procurement Officer

3.3 Appendix 3 – Report and risk rating

Report rating:

As per IOD methodology, the rating of engagement conclusion are as follows:

Engagement Conclusion	Definition
Satisfactory	• The assessed governance arrangements, risk management, and controls were adequately established and functioning well. • Issues identified by the audit, If any, are unlikely to affect the achievement of the objectives of the audited entity/area.
Satisfactory, Some improvement needed	• The assessed governance arrangements, risk management practices, and controls were generally established and functioning, but need some improvement. • Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.
Partially satisfactory, Major improvement needed	• The assessed governance arrangements, risk management practices, and controls were established and functioning but need major improvement. • Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.
Unsatisfactory	• The assessed governance arrangements, risk management practices and controls were not adequately established and not functioning well. • Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.
N/A	• Not Applicable.

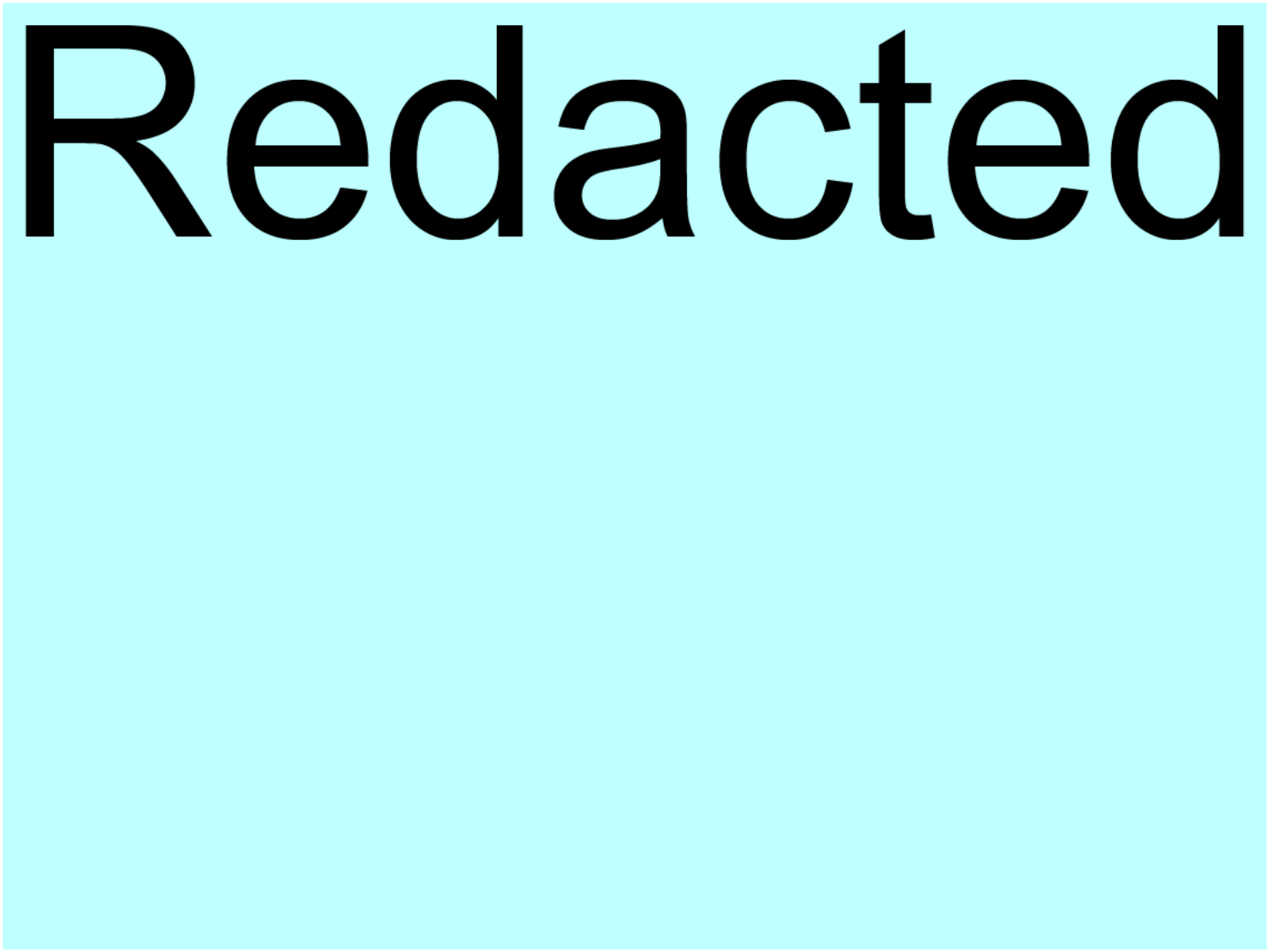
Significance of findings:

Engagement Finding Significance	Definition
Low Significance	Matters and/or findings considered to be of **minor importance** to the maintenance of internal control, compliance, good corporate governance, or good practice for processes. Findings raised may also relate to matters warranting consideration for improving the efficiency of existing processes subject to availability of specified resources or technology.
Medium Significance	Matters and / or findings considered to be of **importance** to maintenance of internal control, compliance, good corporate governance or good practice for processes. Findings raised may also relate to matters warranting consideration for improving the efficiency of existing processes subject to availability of specified resources or technology.
High Significance	Matters and / or findings considered to be **fundamental** to maintenance of internal control, compliance, good corporate governance, or good practice for processes. The matters and / or findings should be subject to agreed remedial action either immediately or within three (3) months from date of issue of final report to management.

Rating of controls and residual risks:

		Inherent Risk			
		Low	Medium	High	
Control Effectiveness	Not Effective	Low	Medium	High	Residual Risk
	Partially Effective	Low	Medium	High	
	Effective	Low	Low	Medium	

3.4 Appendix 4 – Vendor relationship overlap mapping



Redacted

Deloitte.

Deloitte Consulting AG does not accept any liability for use of or reliance on the contents of this document by any person save by the intended recipient(s) to the extent agreed in writing.

Deloitte Consulting AG is an affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients. Please see www.deloitte.com/ch/about to learn more about our global network of member firms.

This report is intended solely for the information and internal use of the World Intellectual Property Organization (WIPO) and should not be used by any other person or entity. No other person or entity is authorized to rely in any manner whatsoever for any purpose whatsoever on this report.

© 2026 Deloitte Consulting AG. All rights reserved.