

MB 4 Annex Report on the implementation of the ICS

Report on the implementation of the Internal Control Standards and Internal Control

1) Risk Assessment

A proper corporate risk assessment exercise was not performed in 2006 by EFSA (one is foreseen in 2007), but an audit risk assessment was included in the Audit Work Plan by the internal auditor. The main risks areas identified were the procedures around the procurements, the financial work flows and the recruitment processes.

2) Internal Control Standards

The implementation of the following 8 standards was achieved:

Standards		Comments
N°	Description	
1	Ethics and integrity	ICS presentation to all staff on February 2006 and Code of conduct and Staff Regulation provide to all new comers.
6	Delegation	Decision of the Executive Director on 09/2006 regarding new delegations. E-mail sent to the new authorizing officer's by delegation asking them to sign the "charter of AO's"
9	Annual management plan	Management plan of EFSA 2006 approved by the Management Board.
14	Report of irregularities	Report of irregularities note signed by the Acting Executive Director on 26/01/2006 and communicated to all staff.
18	Recording exceptions	Annual report was done on 10/01/2007, with all the list of "exception requests" in annex.
19	Continuity of operations	Continuity of operations standard, signed by the Acting Executive Director on 26/01/2006 and Business Continuity Plan project launched in October 2006.
21	Audit reports	Four full reports were issued in 2006 as foreseen in the Audit Work Programme.
22	Internal Audit Capability	The internal Audit Capability was fully staffed in 2006 as the Internal Auditor joined EFSA in October 2005 and the Audit Committee was created in February 2006.

The implementation of the following 14 has partially been achieved but in order to reach the full compliance, further actions need to be taken:

Standards		Comments
N°	Description	
2	Mission, role and tasks	Job description for some staff and « who's who » from some department still to be completed.
3	Staff competence	A training catalogue was sent by the training cell, and training is on going.
10	Monitoring performance against objectives and indicators	Current progress indicators 2005
11	Risk analysis and management	Workshop on risk analysis will be conducted in 2007, a first audit risk analysis was performed by the internal auditor in 2006.

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12	Adequate management information	Reporting on budget execution is done monthly. Progress reports are also available for the operational activities
13	Mail registration and mailing system	Documents Management, filing and file management. Training chrono out - January 2007.
15	Documentation of procedures	New mission guide approved by the Executive Director 30/10/2006. New expert Guide approved by acting Executive Director 30/05/2006. Financial procedures available on internal web. Internal procedures and decisions of the Executive Director communicated to all staff.
16	Segregation of duties	List of personnel and specimen signature for initiating agents, verifying agents and AO. Done 11/10/2006.
17	Supervision	No ex-post control conducted at the moment
20	Recording and correction of internal control weaknesses.	The Head of Finance and the internal auditor were the persons in 2006 to be contacted in order to point out any potential internal control weaknesses or inappropriate procedures.
23	Evaluation	The Evaluation art.61 has been performed and the Management Board made recommendations to EFSA based on this report in 2006.
24	Annual review of internal control	Requirement for a declaration of assurance done 13/09/2005 and in the AAR 2005 and 2006.

The 2 following standards were not implemented and will be considered as a priority in 2007:

Standard		Comments
N°	Description	
4	Staff performance	The staff appraisal system is being launched in 2007.
5	Sensitive functions	A first note issued in 2006 by the internal auditor is being revised and adapted in 2007, should be implemented by the end of April 2007.
7	Objective setting	A detailed work plan is being drafted for 2008
8	Multiannual programming	2008 Management Plan

3) Negotiated procedures

In 2006, 4 contracts (representing a global amount of € 52 380) were signed after negotiated procedures with only one candidate invited.

Two contracts (total amount €31 936€) were signed by the Facilities Unit in order to address urgent work issues, one contract (amounting to € 8 444) was signed by the Human Resources Unit to organise a very specific training and one other (amounting to € 12 000) was agreed by the Science Department in order to contribute to an urgent epidemiological analysis.