

CERN/FC/5357
CERN/2848
Original: anglais
29 mai 2009

ORGANISATION EUROPEENNE POUR LA RECHERCHE NUCLEAIRE
CERN EUROPEAN ORGANIZATION FOR NUCLEAR RESEARCH

Suite à donner

Procédure de vote

Discussion	COMITE DES FINANCES 325 ^e réunion 17 juin 2009	-
Discussion	CONSEIL 151 ^e session 19 juin 2009	-

ÉVALUATION ET COMMENTAIRES DES COMMISSAIRES AUX COMPTES
CONCERNANT LE BILAN D'ACTIVITÉS ANNUEL 2008

ÉVALUATION ET COMMENTAIRES DES COMMISSAIRES AUX COMPTES CONCERNANT LE BILAN D'ACTIVITÉS ANNUEL 2008

La Direction du CERN a présenté le bilan d'activités annuel 2008 lors de la 150^e session du Conseil :

« Le Conseil prend note des informations figurant dans le document CERN/SPC/917-CERN/FC/5331-CERN/2834 et de l'exposé présenté par le Directeur de l'administration et de l'infrastructure générale, et exprime sa satisfaction quant à la structure et à la teneur du document, en prenant acte que le premier bilan d'activités annuel présente un caractère particulier en ce qu'il ne peut s'appuyer sur des buts et objectifs spécifiques fixés l'année précédente.

En vue de la préparation, en 2010, du premier bilan d'activités annuel véritablement complet en application des nouveaux principes de gouvernance, le Conseil convient d'inviter le Comité des finances et le Comité des directives scientifiques à donner leur avis sur la structure et la teneur du bilan d'activités annuel à l'examen, qui est un document de transition. *Le Conseil convient par ailleurs que le Président du Conseil écrira aux commissaires aux comptes pour leur demander leur avis sur le document, compte tenu du fait que le rapport servira de base à d'éventuels audits d'efficacité pour certaines activités de l'Organisation.* À cet égard, le Conseil convient, sur la base d'une proposition de la délégation suisse, que les rapports futurs compareront les montants des recettes et des dépenses avec ceux du budget de l'année en question. »

Suite à cette conclusion, le Président du Conseil a adressé un courrier aux commissaires aux comptes le 26 mars 2009 (voir l'annexe 1).

Les commissaires ont compte y ont répondu le 5 mai 2009 (voir l'annexe 2). En annexe à leur lettre, les commissaires aux comptes ont fait plusieurs suggestions pour les prochains bilans d'activités annuels, auxquelles la Direction a donné son aval.



ORGANISATION EUROPÉENNE POUR LA RECHERCHE NUCLÉAIRE
EUROPEAN ORGANIZATION FOR NUCLEAR RESEARCH

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Ref: CERN/CS/9863

Geneva, 26 March 2009

Dear Counsellor Franceschetti,

The CERN Management delivered for the first time an Annual Progress Report to the Council for its 150th Session on 19 March. This report is part of the new governance of the Organization where annual goals are decided by the Council for each budgetary year and an Annual Progress Report is produced in the first quarter of the following year to describe how these goals were met, and what resources were required.

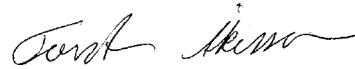
The Annual Progress Report for 2008 is not complete because 2009 is the first budgetary year under the new governance, i.e. no formal annual goals were decided for 2008. Nevertheless, to run in the procedures the CERN Management has produced an Annual Progress Report for 2008 in order for the Council, the subsidiary bodies of the Council and the External Auditors to have the opportunity to give feedback with a view to the 2009 Annual Progress Report. One such item of feedback that has already been given by the Council is that future reports should compare the income and expenditure outturn figures with those of the Budget for the year concerned.

The Council would be very grateful if the Italian Court of Audit could give the 2008 Annual Progress Report its consideration and provide feedback to the CERN Management and to the Council in its June Session on how this report can be improved. It would be most useful if those considerations would include the information that you consider would be needed for this report to form the basis of future Efficiency Audits of selected activities of the Organization.

./...

Let me end by expressing our gratitude that the Italian Court of Audit has taken on the task of helping the CERN Council in its governance of the Organization. This is far from a minor effort; I remember Dr Jaros – the Director of the Austrian Court of Audit – informing me that each year they committed four people, together investing 150 days/year for this audit.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Torsten Åkesson', written in a cursive style.

Torsten Åkesson
President of the CERN Council

Cc: Dr Martin Steinacher, Chairman of the Finance Committee
Mr Sigurd Lettow, Director of Administration and Infrastructure



Corte dei Conti
SEZIONE DI CONTROLLO
PER GLI AFFARI COMUNITARI ED INTERNAZIONALI
IL CONSIGLIERE

Professor Torsten Åkesson
President of Council
CERN
CH-1211 GENEVA 23, Switzerland

Your ref. CERN/CS/9863

Dear Professor Åkesson,

CORTE DEI CONTI



0000527-05/05/2009-AACCII-A93-P

With Your letter dated March 26th 2009 you provided the opportunity for us to give suggestions to the Council and the CERN Management on the Annual Progress Report for 2008.

We have appreciated the idea of a Report presented by the CERN Management on achievements in 2008, particularly in view of the preparation of 2009 Annual Progress Report and we believe it represents a useful test for similar and more complete Reports to be produced in future.

For the above reason we welcome and fully support this initiative aimed at implementing the new Governance of the Organization.

We examined the Annual Progress Report (APR) for 2008 (CERN/2834), the Medium-Term Plan for the period 2009-2013 (CERN/2796), the Report by the Working Group on CERN Governance (CERN/2777) and, after constructive discussions with the CERN Management on significant issues, in the Annex we are pleased to provide some suggestions on how the Report may be improved, including the information needed to form the basis for future "Efficiency Audits" on selected activities of the Organization.

Yours Sincerely,

FRANCO FRANCESCHETTI
CERN External Auditor

Cc: Dr Martin Steinacher, Chairman of the Finance Committee
Mr Sigurd Lettow, Director of Administration and Infrastructure
Prof Sergio Bertolucci, Director for Research and Computing

ANNEX

CORTE DEI CONTI		CERN MANAGEMENT
STANDARD/FACT	SUGGESTION	COMMENTS
1) According to the Report on CERN Governance (CERN/2777-par. 4.2) an Annual Progress Report (APR) is to be presented in the March Council Session. Therefore the income and expenditure outturn figures are based on provisional data provided by the Financial and Accounting Service in FP Dept. These figures could change due to the bookclosing process.	In case a change in outturn figures occurs during the certification process, consequently-recalculated variations with respect to APR should be reported to the Council in a revised document commenting such deviations.	<ul style="list-style-type: none"> OK
2) The headings and/or figures in the APR (pag.18) and in the Financial Statement (page 2-9) and the figures in the Medium-Term Plan (MTP) 2009-2013 (for instance page 20 and page 28) do not have a direct correspondence.	The layout should be designed to facilitate the synoptic readability, comparability and consequently a better understanding.	<ul style="list-style-type: none"> OK, unavoidable in 2008 due to implementation of new Governance and related headings
3) In the Report on CERN Governance (CERN/2777-annex V par.2) it is stated that <i>"The achievement shall be broken down following the structure of the Budget document and be compared to the planned goals and objectives (...)"</i> . In the APR 2008 section II "Progress Report" (pages 4-15) the activities performed during the year are described in the main, whereas the MTP 2009-2013 in section II (pages 6-15) provides detailed tables.	<p>In order to increase comparability between documents, each programme in the APR Section II should be drafted as in the MTP Section II. Furthermore, one column should be dedicated to the progress achieved during the year concerned, plus another column should describe the relating goals/objectives as approved in the MTP.</p> <p>Since the MTP document is designed to shift forward during the 5 years (n+1 to n+5), it is worthwhile mentioning that clear reference in the APR should be given in relation to the year in which milestones and goals/objectives are to be achieved.</p>	<p>OK for 2010, Clarification</p> <ul style="list-style-type: none"> The objectives for the 5 years can not be used for the APR, however we can compare the annual progress and specific annual targets. Furthermore, we agreed to compare in 2010 the annual targets and risk assessment with the real outturn

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4) In the APR no particular emphasis is dedicated to risks (arisen during the year and/or not in place any longer) and alternative action to mitigate them.	As to give more elements to plan and to carry out "efficiency audits", risks description and probability (increase or decrease) and related financial estimate (with the cost of possible mitigating action) should be envisaged in the APR.	<ul style="list-style-type: none"> • Yes, this will be added for the APR 2011 (based on MTP 2010) since it was not amounted in the MTP of 2007 and 2008.
5) In the Report on CERN Governance (CERN/2777-annex I) it is stated that "(...) <i>Results-Based Budgeting is thus a result-driven budgeting process in which: - programme formulation and resources justification involve a set of predefined objectives, expected results, outputs, inputs and performance indicators which constitute a logical framework (...)</i> ". Activities in the APR section II "Progress Report" (page 4-15) are not linked with performance indicators.	Performance indicators should be linked with the progress achieved and clearly defined in a table (as proposed in above-mentioned point 3).	<ul style="list-style-type: none"> • KPIs are internal management tools. For the 2010 APR the key statistics of the non-scientific areas will be integrated, this was specified in the annex XII of the new Governance report • Performance indicators such as % achieved versus planned for major projects will be included
	6) In order to provide more elements to plan and to carry out "efficiency audits", in the APR, when a goal is achieved or is about to be met, the Scientific Policy Committee's assessment should be included in the related table (see point 3) of the APR.	<ul style="list-style-type: none"> • The independent assessment is the scientific policy committee (SPC), if the assessment is available, reference will be included.