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**ORGANISATION EUROPÉENNE POUR LA RECHERCHE NUCLÉAIRE**  
**CERN** **EUROPEAN ORGANIZATION FOR NUCLEAR RESEARCH**

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*Action to be taken*

*Voting Procedure*

For information	<b>FINANCE COMMITTEE</b> 364 <sup>th</sup> Meeting <b>12 and 13 June 2018</b>	-
For information	<b>OPEN COUNCIL</b> 189 <sup>th</sup> Session <b>14 and 15 June 2018</b>	-

**Assessment and Comments by the External Auditors  
on the Annual Progress Report for 2017**

**Supreme Audit Office of Poland**





NAJWYŻSZA IZBA KONTROLI  
SUPREME AUDIT OFFICE OF POLAND

Audit No. P/17/052-5/CERN APR

**EXTERNAL AUDITORS' ASSESSMENTS AND COMMENTS  
ON THE ANNUAL PROGRESS REPORT  
OF THE EUROPEAN ORGANIZATION  
FOR NUCLEAR RESEARCH (CERN APR)  
FOR THE YEAR 2017**

Warsaw, 18 May 2018

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## EXTERNAL AUDITOR'S REPORT

Addressed for information to:

**COUNCIL OF THE EUROPEAN ORGANIZATION FOR NUCLEAR RESEARCH  
(CERN)  
CH-1211, Genève 23, Switzerland**

### ASSESSMENT AND COMMENTS ON THE CERN ANNUAL PROGRESS REPORT

We have read the accompanying Annual Progress Report of the European Organization for Nuclear Research (CERN) for the year 2017, which comprises Executive Summary, Summary and Overview of Revenues and Expenses, also by Activity and by Nature, Expenses by Scientific and Non-Scientific Programmes, Summary of Facts and Key Performance Indicators, Fact Sheets, Financial Figures, EU-supported Projects, and New Collaboration Agreements, and Occupational Accidents.

#### *CERN Management's Responsibility for the Annual Progress Report*

CERN management is responsible for the preparation and fair presentation of the Annual Progress Report in accordance with the guidelines included in the Report by the Working Group on CERN Governance approved by the Council at its session on 13 March 2008. These guidelines say that “*The Annual Report should focus on progress against the goals and outputs previously approved by Council for that year, with the associated actual costs. The total reported costs would equal the actual overall spend of the Organization for year n-1.*”

#### *Responsibility of the Supreme Audit Office of Poland (NIK)*

Our responsibility is to make an assessment and give comments on the Annual Progress Report based on our reading of the document. We conducted our audit in accordance with International Standard of Supreme Audit Institutions No. 1720 (ISSAI 1720). This standard requires that we obtain reasonable assurance about whether the Annual Progress Report is free from material inconsistencies with the financial statements for the year ended 31 December 2017 audited by us. The standard also requires that we assess whether the Annual Progress Report is free from misstatements of fact, i.e. other information that is unrelated to matters appearing in the audited financial statements is correctly stated and presented.

We believe that the audit evidence we have obtained during the audit of the CERN Financial Statements for 2017 and inspection of other documents related to the CERN operations was sufficient and appropriate to make comparisons with the information presented in the Annual Progress Report and thus provide a basis for our assessment.

#### *Assessment of the CERN Annual Progress Report*

**In our view, the Annual Progress Report is consistent, in all material respects, with the financial and non-financial information contained in the CERN Financial Statements for the year ended December 31, 2017, and does not contain any misstatements of fact as regards other information that is unrelated to matters appearing in the audited financial statements.**

#### *Other Comments*


1. Our audit work was primarily based on the draft APR and the financial statements being in the course of audit. In accordance with the control procedure that was agreed in 2015

between the Report authors and us the final check was carried out against the signed CERN Financial Statements.

## 2. Key Performance Indicators.

We were pleased to note that the Annual Progress Report presented to the Council in March 2018 included an extended chapter entitled “Summary of Facts and Key Performance Indicators (KPI)”. The chapter provides a larger number of values by which performance can be measured as compared to the previous year, in key areas of CERN operations, such as Accelerators, Experiments and Theory, LHC Computing, Safety, Health and Environment Protection, Outreach, Revenues, Procurement and Knowledge Transfer, and Human Resources. Some of the Indicators provide a percentage rate of performance, some provide other measures, such as physical units or financial amounts, yet others use quantity as a measure of performance. We appreciate the widening of the scope of presented KPIs and the work done for greater clarity of the information provided by adding descriptions of performance values (indicators), which assist the reader to understand what sort of a measure has been employed and what information it conveys – as suggested by us the previous year. We also welcome comparative information for particular KPIs from previous year(s) as useful to better evaluate and observe the progress made in particular areas of CERN operations.

Ewa Polkowska



Vice-President of NIK  
Chairman of CERN Audit  
Steering Committee

Wieslaw Kurzyca



Primary Auditor  
of CERN External Audit

18 May 2018  
Supreme Audit Office  
ul. Filtrowa 57  
Warsaw, Poland