

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

Action to be taken

Voting Procedure

Take note	FINANCE COMMITTEE 330 th Meeting 16 June 2010	-
Take note	COUNCIL 155 th Session 18 June 2010	-

External Auditors' Report for the Financial Year 2009

Comments by the Management

External Auditors' Report for the Financial Year 2009

Comments by the Management

The CERN Management has examined the Report by the External Auditors on the accounts of CERN for the financial year 2009.

The comments of the CERN Management are limited to the following clarifications (numbering as per the External Auditors' report), on the understanding that all the recommendations to which no specific reference is made below are accepted and will be implemented.

4. Budget out-turn 2009

The APR is a "living" document and it is in CERN's interest to constantly improve it, while at the same time avoiding including too many details which could detract from its readability. We are grateful for the valuable input we have received from the External Auditors and the SPC and will incorporate their recommendations/suggestions in due course (this has already partly been done for the June Council session).

6.1.1 Non-current Assets

a) Fixed assets - Inventory

The existing procedure was designed to be used as a framework for each Department how to keep their inventory.

CERN agrees to review and standardize this procedure to all Departments and strengthen the follow up.

b) CERN Health Insurance Scheme

We have taken note of your recommendation and will review the existing contract and arrangements in lights of your comments. Furthermore, CERN will assess the cost/benefits of an external service provider vs. in-house management.

6.1.2. Current assets

Physical stock-checking

We have taken note of the recommendation and will review the current procedures in light of risks and costs involved.

6.2.2 Non-current liabilities

d) Other provisions

EU funded projects

The two cases mentioned date back to an audit in 2007. The internal procedures were changed since and implemented. Therefore, similar cases will not anymore occur.

10. HUMAN RESOURCES MANAGEMENT

Predefined evaluation grids

The HR Department is going towards the establishment of predefined evaluation grids through the setting-up of a competency model and job families. This will mean that a set of job-relevant technical and behavioural competencies will be inserted in the vacancy notices and systematically assessed during the selection process. Moreover, board members will be trained on competency-based interviewing techniques in order to ensure a common approach throughout all selection boards.

Open competition

Post openings for initial recruitment are subject to open competition and, to that effect, published both internally and externally.

The indefinite contract award process, however, targets exclusively internal candidates, as the aim is not to recruit new staff, but to decide which proportion of staff should remain within the Organization in the long-term. Since the entry into force of the Organization's new contract policy in August 2009, indefinite contract openings are now published CERN-wide, thus enhancing open competition and transparency.

A predefined list of sensitive positions would be difficult to draw up as these positions may evolve with time and according to circumstances. Furthermore, this would limit the Organization's managerial leeway, as well as its ability to further internal mobility (which is a key element to ensure staff motivation and versatility in an Organization like CERN where circa 70% of the workforce holds an indefinite contract).

Advice of outside consultants

All boards (be it for initial recruitment or for indefinite contract award) comprise members who are external to the recruiting department (i.e., experts from other areas within the Organization). Outside consultants or experts are being used when additional expertise is required (e.g. for functions such as the General Manager of the Pension Fund, or the Linear Collider Project Leader).

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The Management wishes to express its thanks to the External Auditors for their report and its appreciation for their contribution to the work of the Organization through their audit.