



28th Conference of Directors of the EU Paying Agencies

Namur, 27 to 29 October

**WORKSHOP 2 : “Control burden
for the Paying Agencies ”**

Explanation file

INTERNAL AUDIT SERVICE



B.I.R.B. – Workshop 2 – Namur – Answer to Slovenia, Poland and Spain

Note : The burden to mention in the Excel tabel is only the « engagement of PA staff ». The burden for other bodies of the member state is not tracked within the workshop.

Num ber:	Reg (EC) or other legislation	Title	Explanation
EU 1	1290/2005 - 883/2006 - 884/2006 - 885/2006	Annual account EAGF-EAFRD	Engagement of the financial service of PA (but also the other services) in the field of yearly Clearance of accounts exercise. Burden of work to establish the financial statements, to answer to the questions of the certificate body, and so on. The “basic” file is also reviewed (not only the financial data).
EU 2	1290/2005 - 883/2006 - 884/2006 - 885/2006 - 485/2008	DG AGRI	Engagement of the PA staff involved in Commission audit missions and enquiries, engagement of PA staff for the preparation and following up of various reports to DG AGRI (letters, meetings, ...).
EU 3	1602/2002 - 2342/2002	Court of Auditors (DAS)	Engagement of PA staff involved in ECA audit missions (DAS). The type of mission must be distinguished. See hereafter. Extract web site of Court of Auditors : <i>The primary aim of the DAS is to provide stakeholders, mainly the European Parliament and the Council of Ministers but also EU citizens in general, with an appraisal and opinion regarding the way in which EU money has been spent.</i> Two facets to the DAS : 1° An audit of the accounts ; 2° An audit of the legality and regularity of the underlying transactions.
EU 4	1602/2002 - 2342/2002	Court of Auditors (other)	Engagement of PA staff involved in ECA audit missions specialized in a field of the regulation. For instance : “irregularities”, “after the event / a posteriori scrutiny”-> special ECA reports See the letter of announcement
EU 5	2988/95 - 2185/96 - 515/97	OLAF	Engagement of PA staff involved in contacts with OLAF (preparation or sending for quarterly reports, in function of the organization of the member state, participation to meetings OLAF / member states, answer to inquiries ...).
EU 6	1290/2005 - 885/2006	Certification (external audit)	Certification = compliance + accreditation Engagement of PA staff that cooperates with Certification body during its yearly audit
EU 7	1290/2005 - 885/2006	ICT certification	Part of certification works. In Belgium the certification of Information systems security is treated as a separate certification work. Reason : al the PA is concerned but there are many technical aspects for IT function of the PA. The results are integrated in the report of the certification body to EAGF. Extract of REGULATION (EC) No 885/2006 (annex I): 3. Information and communication <i>(...)(B) Information systems security</i> <i>Information systems security shall be based on the criteria laid down in a version applicable in the financial year concerned of one of the following internationally accepted standards:</i> <i>(i) International Standards Organisation 27002: Code of practice for Information Security management (ISO),</i> <i>(ii) Bundesamt für Sicherheit in der Infomationstechnik: ITGrundschutzhandbuch/ IT Baseline Protection Manual (BSI),</i> <i>2006R0885—EN —29.10.2008 — 002.001— 18</i> <i>(iii) Information Systems Audit and Control Foundation: Control objectives for Information and related Technology (COBIT).</i> <i>The agency shall choose one of those international standards as the basis for its information systems security.</i> <i>Security measures should be adapted to the administrative structure, staffing and technological environments of each individual paying agency. The financial and technological effort should be in proportion to the actual risks incurred.</i>

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EU 8	1290/2005 - 885/2006	Statement of assurance	Annual signing of DAS by director and previous preparations made by other PA staff
EU 9	485/2008	CAP	CAP = « Contrôles a posteriori », ex post scrutiny - Cf 485/2008 on scrutiny by Member States of transactions forming part of the system of financing by the European Agricultural Guarantee Fund In Belgium the scrutiny 485/2008 is executed by two other bodies but the PA's (BIRB + Flemish PA+Walloon PA) must collect the basic files, reopen the archived files, review the consequences of the enquiries with bad findings, begin with recovery procedures.
EU 10	2913/92 - 2454/93 - 1276/2008 - 1290/2005 - 885/2006	Customs - coordination	In function of the organization of the member state. Customs is a separate body. BIRB en Customs collaborate for years through a special regulary consultation to discuss the export refunds.
EU 11	1290/2005 - 885/2006	Supervision of the PA	Better than "supervision of the PA" : the coordination body
MS			Control of PA by domestic controlling bodies in accordance with national legislation, e.g. national court of auditors. Note : not necessary related to EAGF but the cover of the controls is an additional layer with EAGF expenses under review within a larger scope.
PA 1	1290/2005 - 885/2006	Internal audit	Engagement of PA internal auditors
PA 2	1290/2005 - 885/2006	Internal ICT audit	Engagement of PA IT internal auditor or outsourcing of this task.
PA 3	1290/2005 - 885/2006	Internal inspections INTERNAL CONTROL	We apologize for the inappropriate translation. Please read " Internal control " (in the sense of COSO and so on).
PA 4	1290/2005 - 885/2006	Non-delegated external inspections	On-the-spot controls when these controls are executed by a PA "technical" service.

Method of counting in the example of the BIRB :

Each service is requested to evaluate spared time (in men days) in the hypothesis that the listed controls do not exist. For **INTERNAL CONTROL** we have used fixed percentages : 20 % (core business EAGF), 10 % (director, on-the-spot controls...), 5 % (support services within financial service). Pay attention : these % must be viewed as "monitoring activities". "Control activities" and so on are viewed as part of the routine of the work.

Conclusion : the objective is to identify a trend in function of a subjective but rational evaluation of the PA.