



2019

Annual Activity Report

Annexes

**Consumers, Health,
Agriculture and Food
Executive Agency
(CHAFAE)**

Table of Contents

ANNEX 1:	STATEMENT OF THE DIRECTOR(S) IN CHARGE OF RISK MANAGEMENT AND INTERNAL CONTROL	3
ANNEX 2:	REPORTING – HUMAN RESOURCES, BETTER REGULATION, INFORMATION MANAGEMENT AND EXTERNAL COMMUNICATION.....	4
ANNEX 3:	DRAFT ANNUAL ACCOUNTS AND FINANCIAL REPORTS	10
ANNEX 4:	MATERIALITY CRITERIA	48
ANNEX 5:	RELEVANT CONTROL SYSTEM(S) FOR BUDGET IMPLEMENTATION (RCSs)	67
ANNEX 6:	IMPLEMENTATION THROUGH NATIONAL OR INTERNATIONAL PUBLIC-SECTOR BODIES AND BODIES GOVERNED BY PRIVATE LAW WITH A PUBLIC SECTOR MISSION N/A	97
ANNEX 7:	EAMR OF THE UNION DELEGATIONS N/A.....	98
ANNEX 8:	DECENTRALISED AGENCIES AND/OR EU TRUST FUNDS N/A	99
ANNEX 9:	EVALUATIONS AND OTHER STUDIES FINALISED OR CANCELLED DURING THE YEAR N/A	100
ANNEX 10:	SPECIFIC ANNEXES RELATED TO "FINANCIAL MANAGEMENT"	101
ANNEX 11:	SPECIFIC ANNEXES RELATED TO "ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS" ...	107
ANNEX 12:	PERFORMANCE TABLES	110

ANNEX 1: Statement of the Director(s) in charge of Risk Management and Internal Control

- For the Head of Unit in charge of Risk Management and Internal Control:**

"I declare that in accordance with the Commission's communication on the internal control framework¹, I have reported my advice and recommendations to the Executive Director on the overall state of internal control in the Executive Agency.

I hereby certify that the information provided in Section 2 of the present Annual Activity Report and in its annexes is, to the best of my knowledge, accurate and complete."

27 March 2020

.....

(Signature)

Jacques Remacle

- For the Executive Director taking responsibility for the completeness and reliability of management reporting on results and on achievement of objectives:**

"I hereby certify that the information provided in Section 1 of the present Annual Activity Report and in its annexes is, to the best of my knowledge, accurate and complete."

27 March 2020

.....

(Signature)

Véronique Wasbauer

¹ C(2017)2373 of 19.04.2017.

ANNEX 2: Reporting – Human Resources, Better Regulation, Information Management and External Communication

2.1 HUMAN RESOURCE MANAGEMENT INDICATORS

Objective (mandatory): The Agency deploys effectively its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions.		
Indicator 1: Percentage of female representation in middle management positions <i>Source of data: Chafea HR statistics, 12/2019</i>		
Baseline (2017)	Target	Results Chafea 2019
66%	A target of 40 % is set up for Commission services for 2019	75 %
Indicator 2 Percentage of staff who feel that Chafea cares about their well-being <i>Source of data: Commission staff survey (SoS)</i>		
Baseline SoS 2016	Target 2018	Results Chafea SoS 2018
33 %	(i) raise percentage (ii) be at average or above the average 52 % identified in EU Commission services	53 %
Indicator 3: Staff engagement index <i>Source of data: Commission Staff Survey (SoS)</i>		
Baseline SoS 2016	Target 2018	Results Chafea SoS 2018
55 %	(i) raise percentage (ii) be at average or above the average 69 % identified in EU Commission services	63 %

2.2 INFORMATION MANAGEMENT INDICATORS

Objective: Information and knowledge in Chafea is shared and reusable by other Chafea Units. Important documents are registered, filed and retrievable		
Indicator 1 Percentage of registered documents that are not filed (ratio) <i>Source of data: Hermes-Ares-Nomcom (HAN) statistics</i>		
Baseline (2014)	Target (2019)	Latest known results (2019)
4.88 %	1.5 %	1.70 % (previously 2.09 %)
Indicator 2 Percentage of non-filed documents registered by other services and sent to Chafea <i>Source of data: Ares reports</i>		
Baseline (2014)	Target (2019)	Latest known results (2019)
-	10.0%	9.75%

		(Previously 11.60%)
Indicator 3 Number of HAN files readable/accessible by all units in the DG		
<i>Source of data: HAN statistics</i>		
Baseline (2014)	Target (2019)	Latest known results (2019)
98.70 %	N/A	(Chafea adopted a policy of open access for the staff: all files – except the files with restricted handling or sensitive files such as e.g. HR related files - are readable by all Chafea staff)
Indicator 4 Number of HAN files shared with other DGs		
<i>Source of data: HAN statistics</i>		
Baseline (2014)	Target (2019)	Latest known results (2019)
82.05 %	N/A	In Ares Chafea, as autonomous entity, is managed separately from the Commission. Access to documents from and for the stakeholder DGs is managed by the related recipients. The policy has to be reviewed taking into account the Commission's objective of sharing documents

KPI 1 is the percentage of registered documents that are not filed. The percentage of non-filed documents lowered significantly. An effort was made in order to reduce also the unfiled documents created on the previous years: the total unfiled documents are 1.70% of the total number of documents created in Chafea, compared to the over 2% of the previous years.

KPI 2 is the percentage of documents registered by other services and sent to Chafea. This is an important indicator for monitoring the efficient management of documents, because documents sent by other services to Chafea will no longer accessible by Chafea services in case of departure of the Chafea staff who received them, unless they are filed in the Chafea Filing Plan. The percentage of documents received by other services in 2019 but not filed decreased to 9.75 % from 11.60 % in 2018.

KPI 3 and 4 reflect the specificity of Chafea, which Ares handles as an external Institution in. All Chafea Ares documents are shared within the Agency (except the sensitive documents); the areas common with other DGs (e.g. RTD and DIGIT for H2020 tools) are shared with them. These parameters, created by the Commission with the purpose of sharing information among DGs, cannot have the same purpose for Chafea, who is considered external to the Commission regarding Ares documents. As specified above, Chafea documents are shared to all Chafea staff and services.

2.3 EXTERNAL COMMUNICATION

Communication activities by programme

Chafea external communication and dissemination activities focus on the “information necessary to, and resulting from, the execution of the programmes” it manages.

In its communications the Agency targets programmes beneficiaries, potential applicants and other programmes stakeholders, using direct channels and relevant multipliers, though paying attention to remain accessible to the EU citizens broader public.

To secure its contribution to a positive public perception of the EU, Chafea cooperates on a permanent basis with its parent DGs, its communication plans and actions are aligned to the parent DGs wider communication strategies and DG COMM recommendations and guidance.

Chafea external communication reflects the variety and peculiarities of each programme entrusted to the agency. It ranges from the promotion of EU funding available, to the dissemination of projects outcomes and results, including the publicity of calls and guidance, the promotion of cross-border networking, and more, with a constant eye on expanding the outreach of the programmes to new potential beneficiaries and stakeholders.

Throughout 2019, Chafea Communication network has supported synergies between programmes and procurement optimization at agency level.

In line with the Commission Communication Network guidance, the use of corporate communication indicators has been integrated since January 2019, though programmes and projects may use additional and more specific KPIs.

Given the substantial differences of nature and arrangements between Chafea programmes, reporting on implemented activities and performance evaluation is presented by programme.

Health programme

In 2019, the Agency implemented dissemination activities to raise the visibility of results and successes of the 3rd Health Programme, to promote DG SANTE specific communication priorities and to continue the outreach expansion to potential programme beneficiaries. Extensive information on the activities implemented may be found on Chafea dissemination 2019 Activity Report for the third EU Health programme.

The EU Health Programme Conference held on 30 September 2019 was the major event of the year, with an attendance of over 350 targeted participants. The aim of the event was two-fold: to highlight the success stories of the Third Health programme and to present EU health funding under the post 2020 multiannual financial framework.

In cooperation with the Health Programme National Focal Points Chafea organised several Information days (Bosnia and Herzegovina, Czechia, Greece, Ireland, Italy, Malta, Poland, Sweden) with over 250 Participants, on topics in connection with the national policy priorities.

Chafea also actively participated to some major European Public Health conferences, with a stand in the European forum Gastein, the organisation of a workshop at the annual European Public Health Association (EUPHA) conference and the annual conference of the International Foundation on Integrated Care (IFIC).

Other web-communication and web-dissemination activities were the publication of over 120 cross-linked news on Chafea website and partly via social media, the publication of webinars on funding opportunities, the development of dissemination guidance for beneficiaries and the up-grade of the database download features.

With reference to the production and promotion of web-publications (and print-on-demand), Chafea produced a booklet “Health for the EU” presenting the programme success stories, and two info-sheets (thematic information sheets made available in 23 languages) on “e-health” and on “frailty”.

Better training for safer food initiative (BTFSF)

Chafea organised two BTSF initiative information days in Luxembourg, to provide further general information on the Calls for Tenders published under the Financing Decision 2019 to the potential tenderers. To guarantee equal access of information to all, presentations and Q&A materials were posted on Chafea website.

BTSF Annual Activity Report 2018 in electronic, was generated in the EU three working languages and in Spanish. The reports highlight the years' priorities and achievements, and provides information on BTSF trainings implemented in the Member States and worldwide. The annual reports are also distributed to BTSF National Contact Points as well as to relevant institutions and services.

The agency organised 173 training sessions in Member States and worldwide to promote the EU legislation on the food and feed law, animal health and welfare and plant health rules. During the implementation of the training sessions, the contractors produced material on the relevant topics and followed dissemination methods and the train-the-trainer approach in order to disseminate the knowledge gained by the participants during the activities to their colleagues after their arrival back home.

Chafea further improved BTSF learning-management-system, BTSF Academy, with the addition of new informative features. The participation of the e-learning modules reached over 5.000 participants in 2019, from 47 countries. All-learning modules on DVD were distributed to competent authorities and EU partners worldwide.

Additional activities to communicate about BTSF and promote the initiative were the mailing of two Newsletters to over 800 registered recipients and the news publication on Chafea website.

Promotion of agricultural products

Early 2019, Chafea organised an information day on new call attended by 172 participants from 23 Member States and participated to 8 additional information days organised throughout Europe by 3rd parties.

The technical support services to facilitate the participation of stakeholders in the information and promotion policy started in 2016, continued in 2019 including the delivery of two webinars for potential beneficiaries.

The portal for technical support services was further promoted via direct mailing and in 2019, the web-portal had a monthly average of 4,000 unique visitors.

Five new market entry handbooks (for Japan, Mexico, Egypt, India and South Korea) were produced and up-loaded on the portal. Bringing to 13 the number of downloadable reports for potential grant beneficiaries and in general European SMEs.

Extensive information on events organised in third countries during 2019, including 2 high level missions, 3 EU pavilions at trade fairs and 4 Quality/SPS promotional seminars and communication campaign implemented in the frame of the implementation of the Promotion of agricultural products policy are available in the executive summary section.

Consumers programme

In line with the Commission political priorities of empowering consumers, Chafea promoted the activities undertaken under the 2019 Consumer AWP through its external communication activities, consisting in particular in the update of Chafea website on a regular basis, the provision of hands-on support to applicants, and the publication on the website of information mainly related to the launch of new calls for tender or calls for proposals, including the update of questions and answers.

During 2019 the main activities organised by Chafea were the Alternative Dispute Resolution (ADR) Info Day, four Consumer Protection Cooperation (CPC) workshops set in Brussels and the production and promotion of four educational videos on consumer topics. The latter were mainly aimed at raising awareness of specific consumer rights among young consumers and general public, and empowering them to become more informed buyers.

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Chafea also cooperated with DG JUST for the organisation of the Consumers Summit to be held in 2020.

Communication indicators

Objective: Citizens perceive that the EU is working to improve their lives and engage with the EU. They feel that their concerns are taken into consideration in European decision making and they know about their rights in the EU			
Indicator 1 : Percentage of EU citizens having a positive image of the EU			
<i>Definition: Eurobarometer measures the state of public opinion in the EU Member States. This global indicator is influenced by many factors, including the work of other EU institutions and national governments, as well as political and economic factors, not just the communication actions of the Commission. It is relevant as a proxy for the overall perception of the EU citizens. Positive visibility for the EU is the desirable corporate outcome of Commission communication, even if individual Executive Agency's actions may only make a small contribution. Source of data: Standard Eurobarometer (DG COMM budget).</i>			
<i>Baseline</i> <i>November 2014</i>	<i>Target 2020</i>	<i>Latest known results</i> <i>(please indicate the corresponding year)</i>	
"Positive": 39% "Neutral": 37 "Negative": 22%	Positive image of the EU ≥ 50%	November 2018 "Positive": 43% of Europeans have a positive image of the EU "Neutral": 36% "Negative": 20% "no opinion": 1%	
Main outputs in 2019:			
<i>Description</i>	<i>Indicator</i>	<i>Target</i>	<i>Latest known results</i>
Chafea (new) Website	Unique visit	Set 2019 as baseline	156,436 in 2019
Chafea (new) Website	Unique downloads	Set 2019 as baseline	21,854 in 2019
Info-days	Number implemented	12	12
Publications	Number produced	8	8

Annual communication spending on administrative budget

Besides the communication activities implemented by the delegated programmes, Chafea external communication activities resume to combined simple activities and service support, and involve relatively low volume expenditures.

Annual communication spending (based on estimated commitments):			
Baseline (2018):	Target (2019):	Total amount spent	Total of FTEs working on external communication
EUR 352,000	EUR 352,000	100%	2.0

Annual communication spending on operational budget

External communication activities are also supported under the operational budget, most CHAFEA_aar_2019_annexes_final

of them embedded in actions with larger scope.

Some examples of these actions having external communication impact are here reported for each of the programmes managed:

- Health programme: EUR 214,752 were spent on the organisation of major events (European integrated care conference, European public health conference, Gastein health policy forum) as well as Member State-level dissemination events.
- Consumers programme: EUR 1.25 M were spent for organising the ADR Assembly, the CPC workshops and the production of four educational videos on consumer topics. Moreover, EUR 535,106 were used to finance the Consumer Summit, one of the major yearly event organised by the Commission and gathering all relevant consumer organisations and stakeholders.
- Agri promotion: EUR 16,000 were spent specifically for the organization of the info day. However, considering the nature of the actions linked to the programme, it could be also considered that whole budget is spent on communication activities.
- BTSF: EUR 54,517 were committed for disseminating BTSF e-learning DVDs.

ANNEX 3: Draft annual accounts and financial reports

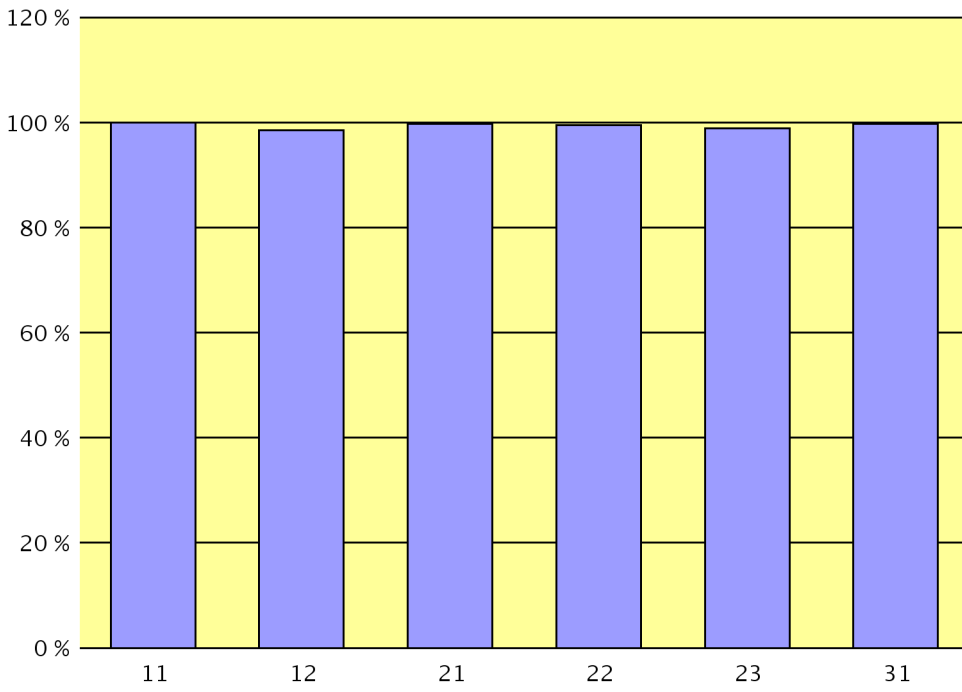
Annex 3 Financial Reports - PHEA - Financial Year 2019**Table 1 : Commitments****Table 2 : Payments****Table 3 : Commitments to be settled****Table 4 : Balance Sheet****Table 5 : Statement of Financial Performance****Table 5 Bis: Off Balance Sheet****Table 6 : Average Payment Times****Table 7 : Income****Table 8 : Recovery of undue Payments****Table 9 : Ageing Balance of Recovery Orders****Table 10 : Waivers of Recovery Orders**

Additional comments

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2019 (in Mio €) for PHEA					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 1 Staff expenditure					
1	11	Remunerations Allowances and Charges	6.47	6.47	100.00 %
	12	Professional Development and Social expenditure	0.37	0.37	98.50 %
Total Title 1			6.84	6.83	99.92 %
Title 2 Building, equipment and miscellaneous operating expenditure					
2	21	Building expenditure	1.04	1.04	99.77 %
	22		0.23	0.22	99.54 %
	23		0.16	0.16	98.91 %
Total Title 2			1.43	1.42	99.64 %
Title 3 Operating expenditure					
3	31	Programme Management expenditure	2.96	2.95	99.74 %
Total Title 3			2.96	2.95	99.74 %
Total PHEA			11.22	11.2	99.84 %

* Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).

% Outturn on Commitment Appropriations in 2019 for PHEA



Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 13/03/2020

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2019 (in Mio €) for PHEA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 1 Staff expenditure					
1	11	Remunerations Allowances and Charges	6.52	6.32	96.93 %
	12	Professional Development and Social expenditure	0.55	0.36	65.31 %
Total Title 1			7.06	6.67	94.48%
Title 2 Building, equipment and miscellaneous operating expenditure					
2	21	Building expenditure	1.04	1.02	98.39 %
	22		0.29	0.15	52.87 %
	23		0.25	0.16	63.28 %
Total Title 2			1.58	1.33	84.50%
Title 3 Operating expenditure					
3	31	Programme Management expenditure	4.49	2.58	57.39 %
Total Title 3			4.49	2.58	57.39%
Total PHEA			13.13	10.58	80.59 %

* Payment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous payment appropriations for the period (e.g. internal and external assigned revenue).

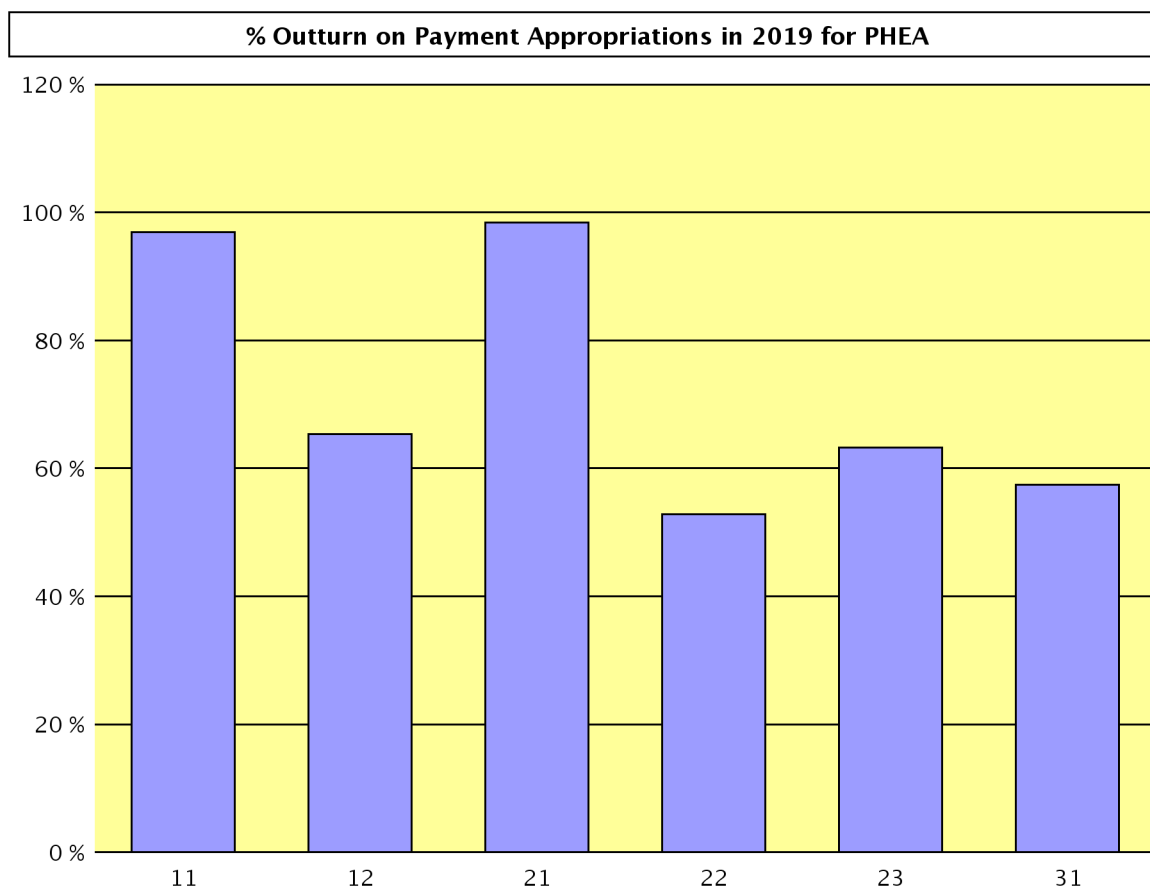


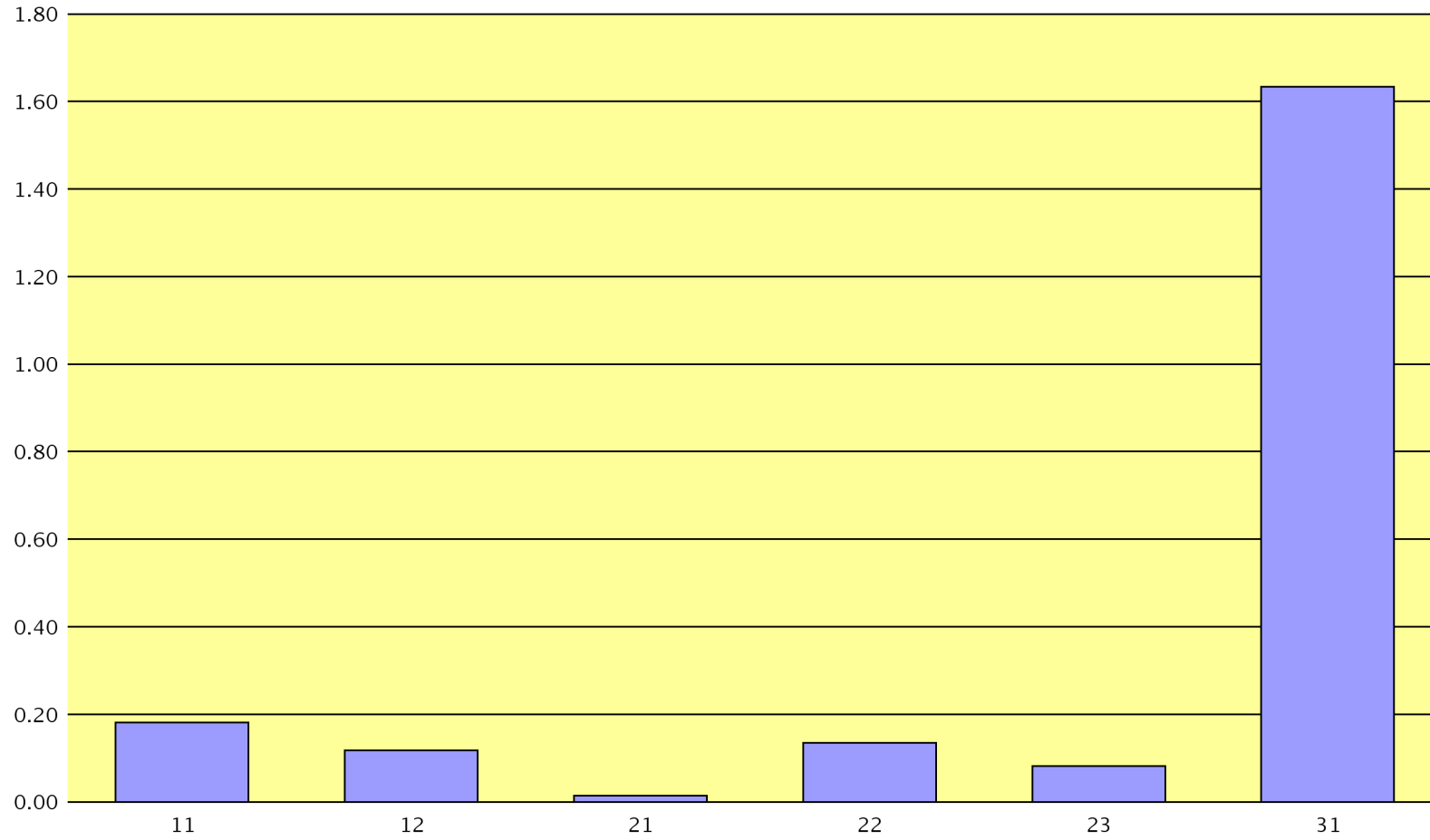
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for PHEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
1	11	Remunerations Allowances and Charges	6.47	6.28	0.18	2.80%	0.00	0.18	0.05
	12	Professional Development and Social expenditure	0.37	0.26	0.10	28.26%	0.01	0.12	0.17
Total Title 1			6.83	6.55	0.28	4.17%	0.01	0.30	0.22

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for PHEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
2	21	Building expenditure	1.04	1.02	0.01	1.38%	0.00	0.01	0.00
	22		0.22	0.09	0.13	60.13%	0.00	0.13	0.07
	23		0.16	0.08	0.08	51.00%	0.00	0.08	0.08
Total Title 2			1.42	1.19	0.23	16.23%	0.00	0.23	0.15

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for PHEA

Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
3	31	Programme Management expenditure	2.95	1.31	1.63	55.43%	0.00	1.63	1.54
Total Title 3			2.95	1.31	1.63	55.43%	0.00	1.63	1.54
Total :			11.2	9.05	2.15	19.19 %	0.01	2.16	1.91

Breakdown of Commitments Remaining to be Settled (in Mio EUR) at 31/12/2019 for PHEA



Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors
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Refresh date : 13/03/2020

TABLE 4 : BALANCE SHEET for PHEA

BALANCE SHEET	2019	2018
A.I. NON CURRENT ASSETS	77,712	59,235
A.I.1. Intangible Assets	101.00	705.00
A.I.2. Property, Plant and Equipment	77,611.00	58,530.00
A.II. CURRENT ASSETS	2,657,261.22	2,812,610.81
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	2,657,261.22	21,412.16
A.II.6. Cash and Cash Equivalents	0.00	2,791,198.65
ASSETS	2,734,973.22	2,871,845.81
P.II. CURRENT LIABILITIES	-1,129,565.85	-1,598,174.54
P.II.2. Current Provisions	0.00	
P.II.4. Current Payables	-404,266.06	-809,889.37
P.II.5. Current Accrued Charges & Defrd Income	-725,299.79	-788,285.17
LIABILITIES	-1,129,565.85	-1,598,174.54
NET ASSETS (ASSETS less LIABILITIES)	1,605,407.37	1,273,671.27
P.III.2. Accumulated Surplus/Deficit	-1,273,671.27	-1,364,512.65
Non-allocated central (surplus)/deficit*	-331,736.10	90,841.38
TOTAL	0.00	0.00

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for PHEA

STATEMENT OF FINANCIAL PERFORMANCE	2019	2018
II.1 REVENUES	-10,820,736.15	-9,877,286.6
II.1.1. NON-EXCHANGE REVENUES	-10,817,119.85	-9,877,286.6
II.1.1.6. OTHER NON-EXCHANGE REVENUES	-10,817,119.85	-9,877,286.60
II.1.2. EXCHANGE REVENUES	-3,616.3	
II.1.2.1. FINANCIAL INCOME	-28.21	
II.1.2.2. OTHER EXCHANGE REVENUE	-3,588.09	
II.2. EXPENSES	10,489,000.05	9,968,127.98
II.2. EXPENSES	10,489,000.05	9,968,127.98
II.2.10. OTHER EXPENSES	4,283,987.03	4,478,217.58
II.2.6. STAFF AND PENSION COSTS	6,205,009.31	5,489,231.99
II.2.8. FINANCE COSTS	3.71	678.41
STATEMENT OF FINANCIAL PERFORMANCE	-331,736.10	90,841.38

Explanatory Notes (facultative):

Please enter the text directly (no copy/paste of formatted text which would then disappear when saving the document in pdf), use \\\"ctrl+enter\\\" to go to the next line and \\\"enter\\\" to validate your typing.

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TABLE 5bis : OFF BALANCE SHEET for PHEA

OFF BALANCE	2019	2018
OB.3. Other Significant Disclosures	-7,746,874.54	-1,187,867
OB.3.2. Comm against app. not yet consumed	-1,237,224.75	-1,187,867.00
OB.3.5. Operating lease commitments	-6,509,649.79	
OB.4. Balancing Accounts	7,746,874.54	1,187,867
OB.4. Balancing Accounts	7,746,874.54	1,187,867.00
OFF BALANCE	0.00	0.00

Explanatory Notes (facultative):

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TABLE 6: AVERAGE PAYMENT TIMES FOR 2019 for PHEA

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	964	963	99.90 %	10.38	1	0.10 %	31
60	14	14	100.00 %	13			

Total Number of Payments	978	977	99.90 %		1	0.10 %	
Average Net Payment Time	10.44			10.42			31
Average Gross Payment Time	11.37			11.34			32

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	57	16	1.64 %	978	216,803.90	3.27 %	6,623,674.98

DG	GL Account	Description	Amount (Eur)

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 13/03/2020

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2019 for PHEA

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	7=3-6
10	European community contribution	11,107,532.50	0.00	11,107,532.50	11,107,532.50	0.00	11,107,532.50	0.00
20	Participation of efta countries in executive agenc	112,597.50	0.00	112,597.50	112,597.50	0.00	112,597.50	0.00
90	MISCELLANEOUS REVENUE	3,265.94	584.00	3,849.94	3,265.94	584.00	3,849.94	0.00
Total PHEA		11,223,395.94	584	11,223,979.94	11,223,395.94	584	11,223,979.94	0

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 13/03/2020

**TABLE 8 : RECOVERY OF PAYMENTS in for PHEA
(Number of Recovery Contexts and corresponding Transaction Amount)**

Year of Origin (commitment)	Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
Sub-Total						

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES										
NON ELIGIBLE IN COST CLAIMS										
CREDIT NOTES							1	318,159.99		
Sub-Total							1	318,159.99		

GRAND TOTAL							1	318,159.99		
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Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors.

Refresh date : 13/03/2020

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2019 for PHEA

	Number at 01/01/2019	Number at 31/12/2019	Evolution	Open Amount (Eur) at 01/01/2019	Open Amount (Eur) at 31/12/2019	Evolution
2011	1		-100.00 %	11.85		-100.00 %
2016	1	1	0.00 %	62.85	62.85	0.00 %
2017	2		-100.00 %	584.00		-100.00 %
2018	3		-100.00 %	1,485.91		-100.00 %
2019		1			17,700.75	
	7	2	-71.43 %	2,144.61	17,763.60	728.29 %

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 13/03/2020

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2019 for PHEA

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
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Total DG	
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Number of RO waivers	
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Justifications:

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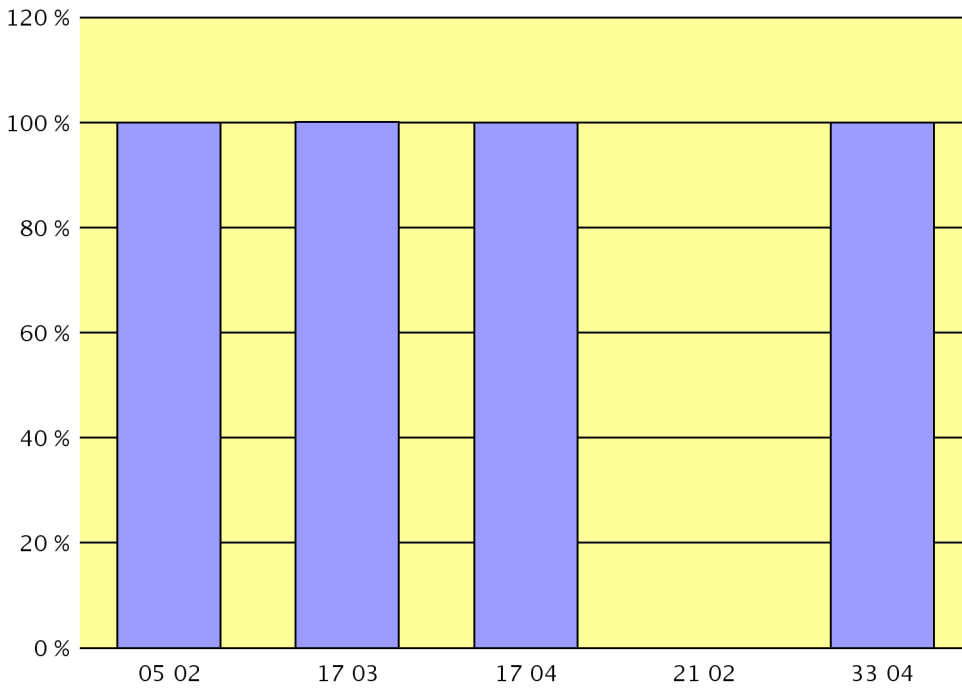
Annex 3 Financial Reports - DG PHEA - Financial Year 2019**Table 1 : Commitments****Table 2 : Payments****Table 3 : Commitments to be settled****Table 4 : Balance Sheet****Table 5 : Statement of Financial Performance****Table 5 Bis: Off Balance Sheet****Table 6 : Average Payment Times****Table 7 : Income****Table 8 : Recovery of undue Payments****Table 9 : Ageing Balance of Recovery Orders****Table 10 : Waivers of Recovery Orders****Table 11 : Negotiated Procedures****Table 12 : Summary of Procedures****Table 13 : Building Contracts****Table 14 : Contracts declared Secret****Table 15 : FPA duration exceeds 4 years**

Additional comments

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2019 (in Mio €) for DG PHEA					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 05 Agriculture and rural development					
05	05 02	Improving the competitiveness of the agricultural sector through interventions in agricultural markets	101.1	101.1	100.00 %
Total Title 05			101.1	101.1	100.00 %
Title 17 Health and food safety					
17	17 03	Public health	47.55	47.59	100.07 %
	17 04	Food and feed safety, animal health, animal welfare and plant health	18	18	100.00 %
Total Title 17			65.55	65.59	100.05 %
Title 21 International cooperation and development					
21	21 02	Development Cooperation Instrument (DCI)		0	
Total Title 21				0	
Title 33 Justice and consumers					
33	33 04	Consumer programme	19.21	19.21	100.00 %
Total Title 33			19.21	19.21	100.00 %
Total DG PHEA			185.87	185.9	100.02 %

* Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).

% Outturn on Commitment Appropriations in 2019 for DG PHEA

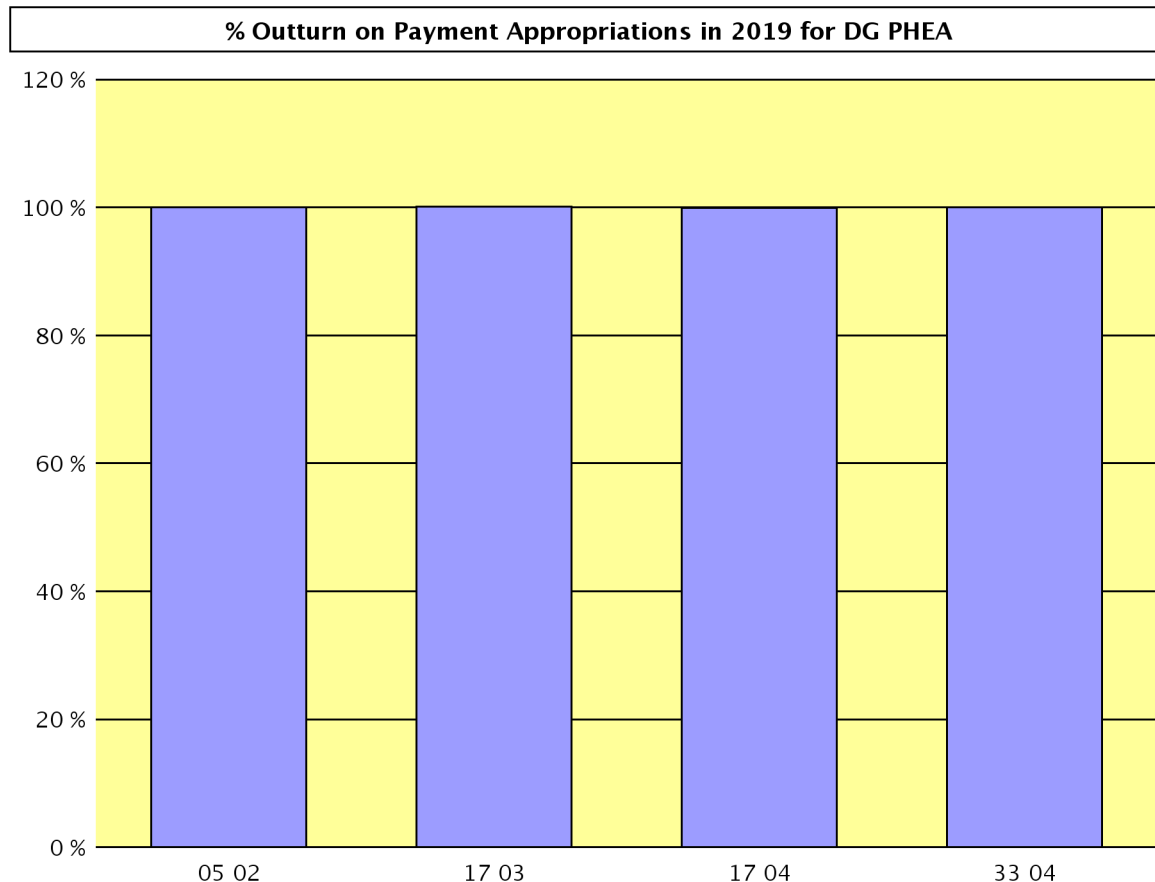


Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 13/03/2020

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2019 (in Mio €) for DG PHEA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 05 Agriculture and rural development					
05	05 02	Improving the competitiveness of the agricultural sector through interventions in agricultural markets	41.38	41.38	100.00 %
Total Title 05			41.38	41.38	100.00%
Title 17 Health and food safety					
17	17 03	Public health	46.44	46.5	100.12 %
	17 04	Food and feed safety, animal health, animal welfare and plant health	12.84	12.83	99.89 %
Total Title 17			59.29	59.33	100.07%
Title 33 Justice and consumers					
33	33 04	Consumer programme	14.49	14.49	100.04 %
Total Title 33			14.49	14.49	100.04%
Total DG PHEA			115.15	115.2	100.04 %

* Payment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous payment appropriations for the period (e.g. internal and external assigned revenue).



Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

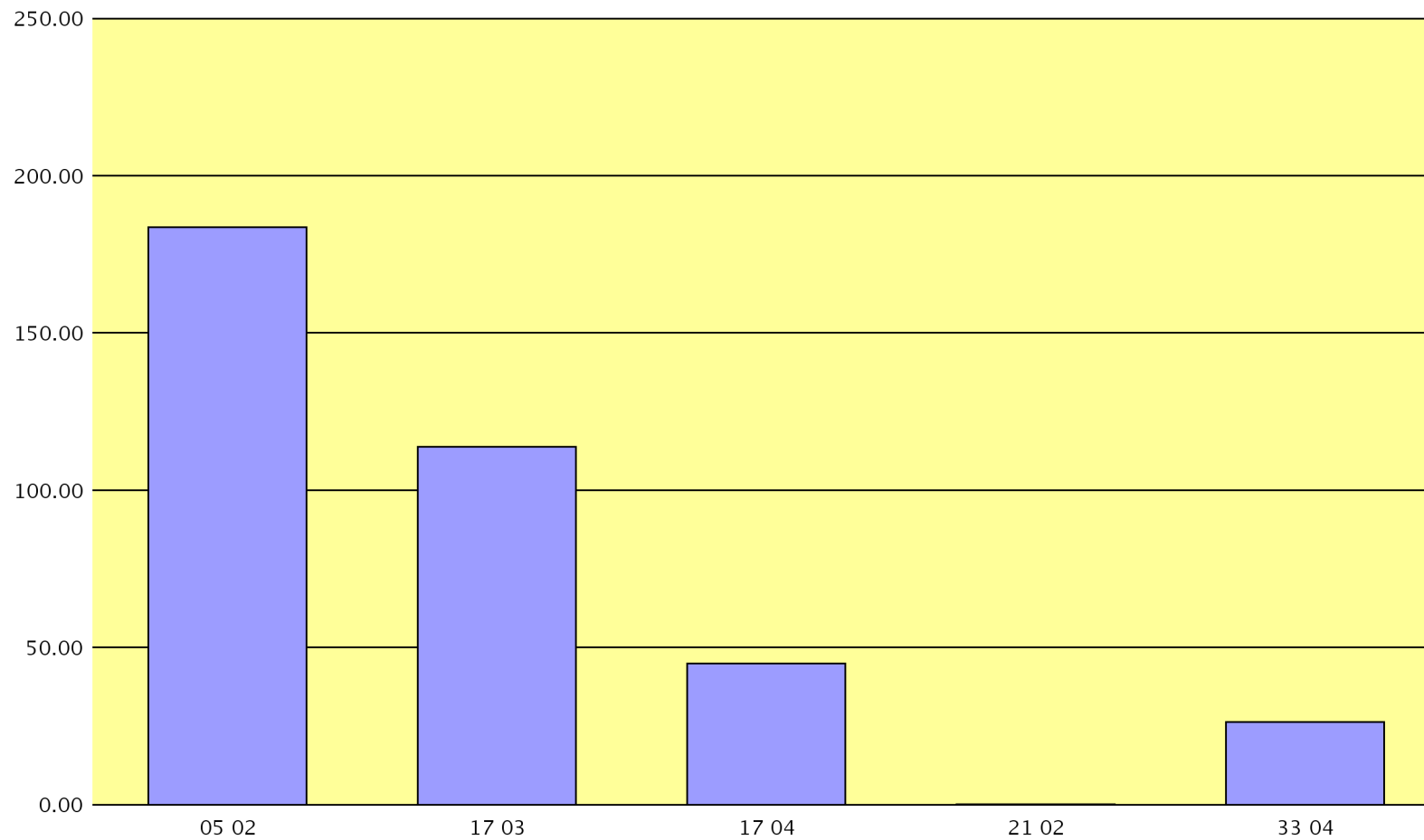
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG PHEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
05	05 02	Improving the competitiveness of the agricultural sector through interventions in agricultural markets	101.10	12.05	89.05	88.08%	94.64	183.69	124.36
Total Title 05			101.10	12.05	89.05	88.08%	94.64	183.69	124.36

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG PHEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
17	17 03	Public health	47.59	4.49	43.10	90.57%	70.75	113.85	112.78
	17 04	Food and feed safety, animal health, animal welfare and plant health	18.00	0.14	17.86	99.22%	26.98	44.84	39.67
Total Title 17			65.59	4.63	60.96	92.94%	97.73	158.69	152.45

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG PHEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
21	21 02	Development Cooperation Instrument (DCI)	0.00		0.00	0.00%	0.01	0.01	0.01
Total Title 21			0.00		0.00	0.00%	0.01	0.01	0.01

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG PHEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
33	33 04	Consumer programme	19.21	6.38	12.83	66.80%	13.51	26.34	21.69
Total Title 33			19.21	6.38	12.83	66.80%	13.51	26.34	21.69
Total for DG PHEA			185.9	23.06	162.84	87.60 %	205.88	368.73	298.51

Breakdown of Commitments Remaining to be Settled (in Mio EUR) at 31/12/2019 for DG PHEA



Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors
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Refresh date : 13/03/2020

TABLE 4 : BALANCE SHEET for DG PHEA

BALANCE SHEET		
NET ASSETS (ASSETS less LIABILITIES)		
P.III.2. Accumulated Surplus/Deficit		
Non-allocated central (surplus)/deficit*		
TOTAL DG PHEA		

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG PHEA

Explanatory Notes (facultative):

Please enter the text directly (no copy/paste of formatted text which would then disappear when saving the document in pdf), use \\\"ctrl+enter\\\" to go to the next line and \\\"enter\\\" to validate your typing.

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

TABLE 5bis : OFF BALANCE SHEET for DG PHEA

Explanatory Notes (facultative):

Please enter the text directly (no copy/paste of formatted text which would then disappear when saving the document in pdf), use \\\"ctrl+enter\\\" to go to the next line and \\\"enter\\\" to validate your typing.

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

TABLE 6: AVERAGE PAYMENT TIMES in 2019 for PHEA

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	267	267	100.00 %	10.22			
45	5	5	100.00 %	19.2			
60	183	181	98.91 %	29.91	2	1.09 %	62
90	80	80	100.00 %	54.23			

Total Number of Payments	535	533	99.63 %		2	0.37 %	
Average Net Payment Time	23.74			23.59			62
Average Gross Payment Time	34.73			34.49			100.5

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
1	37	159	29.72 %	535	48,033,252.23	46.89 %	102,428,261.72

DG	GL Account	Description	Amount (Eur)

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 13/03/2020

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2019 for DG PHEA

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
66	OTHER CONTRIBUTIONS AND REFUNDS	431,936.61	517,077.10	949,013.71	431,936.61	67,993.56	499,930.17	449,083.54
Total DG PHEA		431,936.61	517,077.1	949,013.71	431,936.61	67,993.56	499,930.17	449,083.54

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 13/03/2020

**TABLE 8 : RECOVERY OF PAYMENTS in for DG PHEA
(Number of Recovery Contexts and corresponding Transaction Amount)**

Year of Origin (commitment)	Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
Sub-Total						

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES										
NON ELIGIBLE IN COST CLAIMS										
CREDIT NOTES										
Sub-Total										

GRAND TOTAL										
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Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors.

Refresh date : 13/03/2020

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2019 for DG PHEA

	Number at 01/01/2019	Number at 31/12/2019	Evolution	Open Amount (Eur) at 01/01/2019	Open Amount (Eur) at 31/12/2019	Evolution
2016	4	4	0.00 %	449,083.54	449,083.54	0.00 %
2018	3		-100.00 %	67,993.56		-100.00 %
	7	4	-42.86 %	517,077.10	449,083.54	-13.15 %

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2019 for DG PHEA

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
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Total DG PHEA	
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Number of RO waivers	
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Justifications:

Please enter the text directly (no copy/paste of formatted text which would then disappear when saving the document in pdf), use "ctrl+enter" to go to the next line and "enter" to validate your typing.

TABLE 11 :Negociated Procedures in 2019 for DG PHEA

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Total		

TABLE 12 : Summary of Procedures in 2019 for DG PHEA

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Open Procedure (Art. 104(1) (a) FR)	2	2,612,445.00
Open procedure (FR 164 (1)(a))	11	29,843,550.00
Total	13	32,455,995.00

Additional Comments:

TABLE 13 : BUILDING CONTRACTS in 2019 for DG PHEA

Legal Base	Procedure subject	LC/FW?	Contract/ FW Number	Contractor Name	Contract/FW Subject	Amount (€)

TABLE 14 : CONTRACTS DECLARED SECRET in 2019 for DG PHEA

Legal Base	Procedure subject	LC/FW?	LC Contract/Grant type or FW type	LC Date	Contract/FW Number	Contractor Name	Contract/FW Subject	Amount (€)

TABLE 15 : FPA duration exceeds 4 years - DG PHEA

None of your FPA (if any) exceeds 4 years

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 13/03/2020

ANNEX 4: Materiality criteria

4.1 CHAFEA APPROACH TO MATERIALITY ASSESSMENT

Based on a consolidated approach, Chafea assesses the overall impact of potential weakness using quantitative criteria such as:

a) Significant and/or repetitive occurrence of errors

The weakness points to significant and repetitive errors affecting the legality and regularity of the executed operations. The errors in the underlying transactions may be detected at any stage of the control/supervision procedures. In such cases, the Agency considers both the qualitative and quantitative aspects of the detected error(s). In relation to the quality aspect, the nature, scope duration but also any existing mitigating corrective actions will be taken into account. In relation to the quantity aspect, the Agency seeks to estimate the financial impact of the detected error (exposure or amount at risk).

b) The potential total financial impact (Residual Error Rate) exceeds 2 % of the total budget paid during the reporting period:

The potential total financial impact is calculated by applying the average rate of adjustments to the advantage of the Agency resulting from all audits finalised for the programme so far to the amount of un-audited payments for the programme in the year of the annual declaration. However, the defined materiality thresholds is applied only if the number of grants audited is sufficiently representative of the overall amount of grants managed by the Agency. This is to say, that the sample of audited contracts should cover at least 5 % of the total number of open contracts at the end of the preceding year to the annual declaration.

Qualitative criteria upon which the Agency assesses the overall impact of a weakness are also used:

a) Significant internal control system weakness

The controls may detect (major) system weaknesses that indicate deficiencies at the stage of the design of the internal control system, affecting its effectiveness. This type of weakness may be detected at any stage of the procedure (assessment of the effectiveness of the Internal Control System, the management's risk assessment, following self-assessments performed by the Agency, ex-post audits, or audits performed by the Court of Auditors. These systemic weaknesses are assessed both on their qualitative and quantitative aspects. As far as the quality aspect is concerned, the nature, scope duration but also any existing mitigating corrective actions is taken into account. The financial impact of the control system weaknesses will consider the portion of the budget managed by the Agency that is considered at risk.

b) Insufficient audit coverage and/or inadequate information from Internal Control Systems

This problematic situation is considered to occur in case the Agency is not in place to identify control weaknesses due to the fact that not enough controls/audits were performed (low level of control data). In addition, the Agency is not in position of compensatory evidence from other sources (Court of Auditors, Internal Audit Service).

c) Critical Issues reported by the European Court of Auditors, the Internal Audit Service, the Agency's Internal Audit Capability or OLAF

The criticality is considered not only in relation to the qualification of the Auditors. Findings (critical recommendations) but also in relation to the level of significance that other findings may have on the assurance. In that respect, recommendations that were classified as 'very important' are also taken into account, especially if the implementations of actions that mitigate the identified risks are overdue.

The existence of non-mitigated critical recommendations will justify a reservation only if: i) the underlying weakness falls into the area covered by the declaration of assurance of the Agency's Director, ii) the Agency's Director accepts that the current Internal Control System does not address the identified weakness appropriately and iii) considers that the materiality threshold (reputational, financial) is exceeded.

d) Assessment of reputational events

A significant reputational event that occurred during the year may lead to a reservation if the impact of the event has an impact on the elements constituting the declaration of assurance. This may be considered even for cases that the financial impact of the event is below the 'materiality thresholds'. It is clarified that only the reputational 'events' may be considered not the risks that, by definition, represent threats that have not been materialized. The impact of the reputational event is measured as the impact on the Agency's reputation that it characterized as a loss of confidence by its stakeholders. The Agency's stakeholders include the following: the Council, the Parliament, the Court of Auditors, its parent DG and the rest of Commission's services, the participants of the programs managed by it, its staff (actual and potential), media as well as the general public. Reputational events that may relate with the Agency's operation may refer to failure to prove regulatory compliance, insufficient management capacity, and inadequate control system, risk management, failure to meet the stakeholders' expectations, communication failures, and situations of alleged (internal) fraud.

Legality and regularity of the transactions

Chafea internal processes and procedures (e.g. financial circuits) ensure that the requirements put forward by the EU financial legislation on both grants and procurements are met and support the authorizing officer in achieving the internal control objectives. Specifically for the grants, based on a risk analysis in regard to beneficiaries' implementation capacities, procedures of reinforced monitoring of grants are introduced. In 2019, one grant was put to reinforce monitoring under the Promotion of agricultural products and one under the 3rd Health Programme. The typical project related controls imply that the deliverables and reports submitted under grant agreements and procurement contracts are thoroughly assessed. The Agency's staff participate in events (e.g. workshops, 'cluster meetings', presentations, etc.) where project deliverables are presented to both specialised audiences and broad public, and further disseminated.

In the framework of financial controls over eligibility of costs claimed by grant beneficiaries, a new strategy for payments was adopted in 2018 that, basing on the analysis of the error rates and payment delay causes, provides for additional ex-ante controls over a larger scope of invoiced amounts (e.g. lowering the thresholds for provision of certified statements, introduction of additional checks for largest values of procurement contracts concluded within respective grant agreements, intensified monitoring of the internal timeline for processing payment requests. The strategy is complemented by a payment guide.

Ex-ante controls

Chafea put in place an internal control system that provides for a close monitoring of each co-financed action under the four managed programmes. In accordance with the Financial Regulation (Art. 74) each operation is subject to ex-ante controls: before an operation is authorised, the aspects of this operation (operational and financial) are controlled by an operational and a financial verifiers (following the "four eyes"

principles); the independence of the verifier is guaranteed by the established workflows where the person executing the verification function cannot be in a subordinated role to those who execute the initiation task (i.e. a head of unit cannot initiate a transaction that is to be verified by a member of her/his unit).

Ex-post controls

Chafea exercises ex-post controls by auditing a sample of final payments made over a multi-annual period of 12 years (2008-2019 for the Health programme and Consumer programme). The audited sample is drawn from two strata of the population of final payments²: those estimated as having a higher risk of errors and those estimated as bearing a low risk of errors. Sufficient coverage is ensured through the rotating nature of the sampling over the multiannual period. Furthermore, as the first grants under Promotion of agricultural products started in 2016 and hence no final payment was yet executed in the last available ex-post audit cycle, it was decided to perform ex-post audits on interim payments from the grants funded under this programme. The approach to the calculation of the error rates, as presented in this report, aims at reflecting the facts that programmes 2008-2013 (HP, CP) are under closure (2018 becomes the year of the last payments under these programmes and object of audits that became available in 2019). The cumulative sample of audits under this programme generation can be considered representative in terms of its nature (random sampling of non-risky transactions and minimum 30% coverage of transactions seen as risky) and its size (8%-12% of all total final payment value between 2008 and 2018). The assumption made that the new generation of programmes will be not more risk-bearing than the generation of 2008-2013, is backed by the presence of homogeneous concepts of eligibility and non-eligibility of costs between both generations of programmes, ex-ante measures taken by Chafea (such as inception meetings with beneficiaries where detailed explanations are given on the proper account and documentation of the grant related expenses), ex-ante controls of payments, sufficient recovery capacity of the Agency. More details are given below.

The results allow the Authorising Officer to make an informed decision whether a reservation needs to be made on the basis of the predefined materiality criteria. The results of the ex-post controls performed after the execution of final payments of grants provide, among other, also information on the quality (effectiveness) of the ex-ante controls, as well as the basis for the assessment of the Agency's financial exposure in terms of amount at risk per programmes concerned; this amount will determine if a reservation is needed considering the materiality of the residual error.

4.2 MATERIALITY ASSESSMENT

Ex-post controls – audit methodology and coverage

In this AAR, it has been added to the multiannual sample of ex-post audits the final reports of the 2018 ex-post audit cycle (received during 2019) and two reports of the 2017 cycle that were not included in the last year AAR, as not finalised³. The contract for 2019 cycle was signed late in the year and no final report were available at the date of the preparation of this AAR⁴. For this reason, all final reports of the 2019 ex-post cycle

² Only final payment where audited until now. The only exception is for the new AGRI programme where, based on a risk analysis, it was decided to audit interim payments.

³ For those two transactions, as the procedures of issuance of the recovery orders are still ongoing at the time of preparation of this AAR and to avoid further delays in the inclusion in the sample of ex-post audits, expected recovery amounts have been considered.

⁴ For the ex-post 2019 contract, in line with a consolidated approach, the audit strategy comprises transactions made under the following programmes implemented by Chafea under direct centralised management: i) multiannual programmes for Health Programme and Consumers Programme for the period 2014-2020; ii) Promotion of agricultural products. All grants in the above programmes for which a final payment or a recovery order has been made in the previous 4 years before the final payment was executed, are included in the population used as basis for the sample selection. A specific approach has been taken regarding the AGRI

will be included in the next AAR.

Since several years, final payments executed under the Health programme and the Consumers programme were audited ex-post. The first grants under Promotion of agricultural products started in 2016 and therefore, no ex-post audits on final payment were available on the last cycle considered. Based on a risk assessment, it was decided to perform in 2018 ex-post audits on interim payments. Two transactions on a risk-based sample were selected based on risk factors presented by the operational unit in charge.

Ex-post audits are carried out at the beneficiaries' premises, covering a percentage of payments authorised over the period 2008-2018. The results of ex-post controls allow drawing conclusions regarding the detected error rate affecting the whole population throughout the whole duration of the managed programmes (2008-2013 and 2014-2020).

2018 Ex-post cycle – sampling strategy

For the 2018 audits on final payment, the sample frame was limited to payments executed through the period 2015-2017.

The population from which the sampling in 2018 was drawn does not include:

- Grants for which the invoice payment date was before 2014 were excluded from the above mentioned sampling following Art. 20.2 of the grant agreements where it is stated that "The beneficiaries shall keep at the Executive Agency's disposal all original documents, especially accounting and tax records, or, in exceptional and duly justified cases, certified copies of original documents relating to the agreement, stored on any appropriate medium that ensures their integrity in accordance with the applicable national legislation, for a period of five years from the date of payment of the balance specified in Article 1.5";
- Direct Grant Agreements with International Organisations. In case there is a reasoned request by Chafea's Operational Units for on-the-spot verification, the action will be included in the risk sampling (22 transactions);
- Grants for which the cost claim was submitted to Chafea but the payment has not been executed by 31/01/2018 (0 transactions); In case that Chafea's Operational Units indicates reasoned request for audit before the completion of final payment, an ex-ante on-the-spot control may be performed, following AOs approval;
- For Consumers programme: grants audited before, grants of the values close to audit costs (about EUR 7 000), e.g. grants on exchange of officials (Consumers Programme);
- Interim payments under the programme 2014-2020 of the Health Programme: Data ware house (DWH-BO reports) recognises the interim payments as final payment. As a result, there are 28 transactions that were not included in the random sampling because these concern interim payments and not final payments.

Promotion programme: the Agency is responsible to implement multi-beneficiary grants (multi-programme covering more than one Member State). The first final payments were expected to be completed in 2019. In 2018 and early 2019 only interim payments were executed. Based on risk factors that were presented by the responsible operational unit, one project was selected for ex-post control. Regarding the single programmes foreseen by the basic act concerning the Promotion of Agricultural products, Chafea is responsible for managing the selection process only. Therefore, simple programmes do not fall within Chafea ex post audit universe. In total, 24 transactions were selected for ex-post audit.

Within the total population two groups (strata) were identified, basing on the gathered knowledge and resulting assumptions: the 'group of the low-risk' and a 'higher-risk group'. From the low-risk group the transactions for audit were sampled at random.

Audits under Health programmes

16 final payments were randomly selected from 111 final payments for 2015-2017, (14.4 % of the strata), in the following breakdown:

- Programme 2008-2013: 12 transactions⁵;
- Programme 2014-2020: 4 transactions.

The random selection was based on the excel function "*randbetween*".

A risk-based sample of 2 transactions (~33 % of the strata) was drawn from 6 risk-bearing final payments. The risk-based sampling was made by the ex-post control team based on professional judgment following such criteria as: i) proposal by the programme team and financial cell; ii) percentage of the EU funding (between 50 %-95 %) of the claimed amount; iii) recurrence of the grant: Chafea is giving yearly funding to some type of grants (i.e. operating grants).

The total value of EU grants randomly sampled under Health programme amounted to EUR 4.29 million. Risk-based sample was relevant only for the Health programme and amounted to EUR 0.86 million.

Audits under the Consumers programmes

Out of the 30 low-risk transactions, 5 never-before-audited transactions were selected as sample frame, randomly selected (6.7 % of the strata). 4 transactions referred to the 2014-2020 programme.

No risk based sample frame was identified in 2018.

Audits under the Promotion of agricultural products programme

2 transactions on a risk based sample were selected based on risk factors presented by the operational unit.

Moving multiannual average Detected Error Rates per programme

In this AAR, there are 15 Health programme audit reports (13 from the 2007-2013 programme and 2 from the 2014-2020 Programme), 3 Consumers programme 2014-2020 reports and 2 Promotion of agricultural products 2016-2020 reports were added to the multiannual sample. The Table below shows the composition of the sample and the resulting Detected Error Rates⁶.

Programme	Sampling type	Number of audits	Detected Error Rate
<i>Health programme</i>			
2014-2020	Random	6	0.82 %

⁵ One ex-post control could not be performed because of liquidation of the beneficiary. Hence, only 11 transactions have been effectively audited ex-post.

⁶ In the AAR 5 draft 2018 ex-post reports were already added to the multiannual sample.

	Risk	0	0 %
2008-2013	Random	74	2.55 %
	Risk	52	4.54 %
<i>Consumers programme</i>			
2014-2020	Random	6	0.41 %
	Risk	1	0 %
2008-2013	Random	33	0.76 %
	Risk	12	0.89 %
<i>Promotion of agricultural products</i>			
2016-2020	Risk	2	0.62 %

2008 – 2013 programmes generation: Residual Error Rates

The table below shows the total value of EC contribution for grants of which final payments were made in the period 2008-2019 and the amount audited thus far.

	Health programme	Consumers programme	Total
Total value of EC contribution for grants of which final payments were made 2008-2019 (EUR)	311,519,507	64,219,924	375,739,431
Amount ex-post audited in 2008-2019 (EUR)	28,001,317	6,472,307	34,473,624
% of the sampled value	9.0 %	10.1 %	9.2 %

The size of the audits conducted over 2010-2018 became sufficiently large to enable obtaining statistically representative results of audits for both the Consumers and Health programmes. The detected error rate obtained is considered the best possible indication for calculating the residual error rate of the programmes, knowing that over the years the statistical accuracy of the estimated average has continuously increased.

Calculation of Residual Error Rate

Health programme

Risk profile (% of population)	Population audited (% of population)	Detected Error Rate	Basis for calculation of the Residual Error Rate (actual or assumed)
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Higher risk (about 5 % of the population)	About 80.0 % of this segment (4.0 % of the population)	4.54 %	<ul style="list-style-type: none"> • Audited part (4.0 %): 0.0 % (errors detected are corrected) • Non-audited part (1.0 %): 4.54 %
Lower risk (about 95 % of the population)	About 5 % of this segment (5.0 % of the population)	2.55 %	<ul style="list-style-type: none"> • Audited part (4.9 %): 0.0 % (errors detected are corrected) • Non-audited part (89.1 %): 2.55 %
Overall Residual Error Rate = (4.0 % x 0 %) + (1.0 % x 4.54 %) + (4.9 % x 0 %) + (89.1 % x 2.55 %) = 2.31 %			

Consumers programme^{7,8}

Risk profile (% of population)	Population audited (% of population)	Detected Error Rate
Both higher and lower risk (100 % of the population)	10.1 %	0.82 %
Residual Error Rate = 100.0 % x 0.82 % = 0.82 %		

2014 – 2020 programmes generation: Detected Error Rates

The table below shows the total value of EC contribution for grants of which final payments were made in the period 2014-2019 and the amount audited thus far.

	Health programme	Consumers programme	Promotion of agricultural products	Total
Total value of EC contribution for grants of which final payments were made 2014-2019 (EUR)	57,514,538	18,409,005	32,493,043	75,923,648
Amount ex-post audited in 2014-2019 (EUR)	1,347,941	3,690,564	2,475,114	5,038,505
% of the sampled value	2.3 %	20.0 %	7.6 %	6.6 %

Considering the small size of the audit samples for these programmes, no extrapolation on the general population can be done⁹. The audited amounts vary from 2.3 % to 20.0 %

⁷ No additional ex-post reports were available with respect to the AAR 2018 for this programme. The Residual Error Rate is the same of the one reported in the AAR 2018.

⁸ A conservative approach has been adopted for the calculation of the Residual Error Rate of the programme.

⁹ The samples will gradually improve their statistical significance in the next years with more ex-post audit cycles becoming available.

of the EC contribution, with an average coverage of 6.6 %. As best and conservative estimate, the observed detected error rate per programme is reported to serve as average error rate.

Health programme

Transaction audited (#)	EC total contribution (EUR)	Final EC contribution (EUR)	Recovery amount after audit (EUR)	Detected Error Rate
1	79,110	79,110	0	0 %
2	200,749	200,749	7,626	3.80 %
3	149,574	149,574	3,468	2.32 %
4	448,317	448,317	0	0 %
5	266,059	266,059	0	0 %
6	204,133	204,133	0	0 %
Total	1,347,941	1,347,941	11,094	0.82 %

Consumers programme

Transaction audited (#)	EC total contribution (EUR)	Final EC contribution (EUR)	Recovery amount after audit (EUR)	Detected Error Rate
1	1,400,000 ¹⁰	1,400,000	0	0 %
2	97,411	97,411	0	0 %
3	286,263	286,263	2,261	0.79 %
4	281,074	281,074	0	0 %
5	264,764	264,764	3,866	1.46 %
6	633,913	633,913	3,254	0.51 %
7	727,139	727,139	0	0 %
Total	3,690,564	3,690,564	9,382	0.25 %

Promotion of agricultural products

Transaction audited (#)	EC total contribution (EUR)	Final EC contribution (EUR)	Recovery amount after audit (EUR)	Detected Error Rate
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¹⁰ Audited in 2016.

1	1,692,089	1,692,089	0	0 %
2	783,025	783,025	15,230	1.95 %
Total	2,475,114	2,475,114	15,230	0.62 %

Case of materiality threshold > 2 %

The overall residual error rate for the 2008 – 2013 Health programme results to be 2.31%, higher than the materiality threshold based on the most conservative estimation.

General context

2019 is the first year in which the materiality threshold is exceeded for this programme (e.g. in AAR 2018 the overall residual error rate was 1.92 %). This was in particular the consequence of the inclusion in the sample of one ex-post audit leading to a high recovery amount (of about EUR 75,000 and over 50.0 % of the EC contribution). Without this case, the overall residual error rate would have been equal to 1.91 %, in line with previous years and below the materiality threshold. Furthermore, Chafea considers this case exceptional and scarcely representative of the entire population. In fact, unexpected issues were encountered by Chafea following the request addressed to the beneficiary to present adequate supporting documents for eligible expenses, with the beneficiary claiming that such documents were not due, on the basis of its interpretation of the grant agreement. The forecast of revenue was sent recently and the beneficiary still has time to contest the recovery. In the case that, during the contestation phase, the beneficiary forwards new justifications for the cost incurred, the recovery amount might be lower. In the case the beneficiary will not be able to provide supporting documents, a decision to issue a recovery order for the full amount proposed by the ex-post audit will be taken to safeguard the EU budget.

Reservations and "de minimis" rule

On the basis of the *de minimis* rule, reservations are no needed if the scope is < 5.0 % of total payments and the exposure is < 5 mEUR¹¹.

The scope of a reservation refers to the value of payments made during the financial year affected by a reservation. It typically concerns a segment of the expenditure or revenue with a risk profile and subject to the same or similar control systems. On the other hand, the exposure (amount at risk, financial impact) of a reservation is the value of the expenditure or revenue found to be in breach of applicable regulatory and contractual provisions for the financial operations affected by a reservation, after the implementation of (some) corrective measures. It results from applying the residual error rate to the relevant expenditure (or revenue)¹².

The 2008 – 2013 Health programme is coming to conclusion, with 0.76 mEUR of payments made during 2019. In terms of scope, this represents about 0.7 % of the total operational payments made by Chafea during 2019, so less than 5.0 %. The exposure, calculated by applying the residual error rate to the relevant expenditure (4.65 mEUR¹³),

¹¹ DG BUDG "Guideline for determining materiality as regards legality and regularity".

¹² DG BUDG "Guideline: Key concepts and definitions for determining error rates, amounts at risk and estimated future corrections".

¹³ Relevant expenditure includes payments (0.76 mEUR) and cleared prefinancing (3.89 mEUR). No new prefinancing was made during the year. The 4.65 mEUR of relevant expenditure represents 4.2 % of the total relevant expenditure for the operational budget over the year.

amounts to 0.11 mEUR¹⁴, so less than 5 mEUR.

Decision on materiality as regards legality and regularity for the programme

On the basis of the abovementioned considerations, and in view of the application of the *de minimis* rule, no reservation is made concerning the 2008 – 2013 Health programme.

Conclusions

According to the best estimates, the error rates at Chafea generally remain under the materiality threshold of 2.0 %. In the case of the 2008 – 2013 Health programme, for which the materiality threshold was exceeded in 2019, no reservation is made in view of the application of the *de minimis* rule.

4.3 MATERIALITY ASSESSMENT – POTENTIAL IMPACT OF THE CHANGE OF METHODOLOGY FOR THE CALCULATION OF DETECTED ERROR RATES

Scope of the IAS contribution to the 2019 peer review and Chafea position

In March 2020 the IAS issued its note "*IAS contribution to the 2019 peer review – Position on the methodology for calculating the error rates in the Research and innovation family (Horizon 2020) and in other policy areas under direct management (2019 Annual Activity Reports)*", with a recommended approach¹⁵.

The recommended approach foresees in particular the calculation of detected error rates on the basis of the amounts effectively audited during the ex-post controls (at a single transaction level). Chafea has, thus far, used as corresponding reference the entire accepted amount of the EC contribution (after ex-ante controls), which may be lower in case the audit does not cover 100% of the costs. This approach may lead to an underestimation of the detected error rates, of an amount that cannot be quantified with precision.

In line with other EC services that have adopted the same approach, Chafea will adapt its methodology starting with the implementation of 2020 ex-post campaign. Hereafter it is nevertheless given a preliminary indication of the potential impact of the change in methodology on the level of Detected Error Rates for the programmes managed by Chafea, on the basis of available information.

Preliminary conclusions on the impact for Chafea of the change of the methodology for the calculation of Detected Error Rates

The application of the recommended methodology will produce an increase in the Detected Error Rate at a level of audited transactions when recoveries are foreseen and when the audit scope is lower than 100% of the costs.

Based on a preliminary analysis on the 2018 ex-post audit cycle (see below), such an increase in the Detected Error Rate is expected to be limited. When considering the ex-post audits resulting in recoveries, the change of the Detected Error Rate spans from a no increase (cases with 100% audit coverage), to an increase of about 40% (from 1.47% to 2.10%).

The application of the recommended methodology is not expected to alter significantly the materiality assessment produced in this Annual Activity Report. This is also due to

¹⁴ That is, 4.65 mEUR multiplied by 2.31 %.

¹⁵ Ares(2020)1504722 of 11/03/2020.

the very low error rates registered by Agency. However, a more accurate analysis should be performed programme-wise once more data get available.

Details on the preliminary analysis of the impact of the change in methodology on materiality assessment

Ex-post audits reassessed

All the 25 ex-post reports from the most recent available ex-post cycle (2018) have been retrieved. Out of these 25 reports, only 10 resulted in a recovery. These 10 audits were reassessed under the recommended methodology for the calculation of the Detected Error Rates. The table below summarizes the change:

Transaction assessed	Detected Error Rate – Current approach	Detected Error Rate – Recommended approach
1	1.20 %	1.25 %
2	1.47 %	2.05 %
3	0.80 %	0.80 %
4	1.76 %	1.76 %
5	18.18 %	22.49 %
6	1.65 %	2.05 %
7	0.35 %	0.37 %
8 ¹⁶	1.20 %	1.59 %
9	0.36 %	0.37 %
10	1.95 %	2.54 %

Analysis by programme

Health Programme 2008-2013

Eight ex-post audits resulting in recoveries were performed during the 2018 ex-post cycle. The table shows the detected error rates in each approach:

Transaction assessed	Detected Error Rate – Current approach	Detected Error Rate – Recommended approach
1	1.20 %	1.25 %
2	1.47 %	2.05 %
3	0.80 %	0.80 %
4	1.76 %	1.76 %
5	18.18 %	22.49 %
6	1.65 %	2.05 %
7	0.35 %	0.37 %
8 ¹⁷	1.20 %	1.59 %

The programme is arriving to an end, with low levels of payments made in 2019 (< EUR

¹⁶ Considering amount proposed in the ex-post audit. Chafea final recovery resulted to be lower.

¹⁷ Considering amount proposed in the ex-post audit. Chafea final recovery resulted to be lower.

800,000). No concrete impacts can be foreseen from the change in the methodology of the detected error rate at this stage of the programme as concerns materiality assessment.

Health Programme 2014-2020

No ex-post audits resulting in a recovery were performed during the 2018 ex-post cycle (two ex-post audits were made and conducted to no recoveries).

For the programme, the size of the sample is still limited (six audits, see section 4.2 for more details), and no extrapolation to the general population can be done. However, considering the average correction in the Detected Error Rate due to the change of methodology for the 2009-2013 programme, the risk to reach the materiality threshold is limited at this stage.

Consumers Programme 2008-2013

No ex-post audits resulting in a recovery were performed during the 2018 ex-post cycle.

The programme is arriving to an end, with very low levels of payments made in 2019 (< EUR 50,000). No concrete impacts can be foreseen from the change in the methodology of the detected error rate at this stage as concerns materiality assessment.

Consumers Programme 2014-2020

One ex-post audit resulting in a recovery was performed during the 2018 ex-post cycle. The table shows the detected error rates in each approach:

Transaction assessed	Detected Error Rate – Current approach	Detected Error Rate – Recommended approach
1	0.36 %	0.37 %

For the programme, the size of the sample is still limited (seven audits, see section 4.2 for more details), and no extrapolation to the general population can be done. However, considering the average correction in the Detected Error Rate due to the change of methodology, the risk to reach the materiality threshold is limited at this stage.

Better Training for Safer Food

No ex-post audits are foreseen for this programme as no grants are contracted. No impact from the change in methodology can be foreseen.

Promotion of Agricultural Products

One ex-post audit resulting in a recovery was performed during the 2018 ex-post cycle. The table shows the detected error rates in each approach:

Transaction assessed	Detected Error Rate – Current approach	Detected Error Rate – Recommended approach
1	1.95 %	2.54 %

For the programme, the size of the sample is still very limited (two audits, see section 4.2 for more details), and no extrapolation to the general population can be done. However, considering the average correction in the Detected Error Rate due to the change of methodology, the risk to reach the materiality threshold is limited at this stage (the other transaction audited resulted in a 0% error).

4.4 COST-EFFECTIVENESS OF CONTROLS

Calculation of costs of control – Grants

The calculation is based on the annex 3 of the *Guidance Note on the estimation, assessment and reporting on the cost-effectiveness of controls* of December 2018. To facilitate the calculation, the staff cost for stage 1 and 2 were merged.

Process	Costs of staff (EUR) ¹⁸	External inputs (EUR)	Total costs (EUR)
Stage 1 Programming, Evaluation and Selection of proposals up to the award	TA (AO): 0.35 FTE * EUR 170,900 = EUR 59,815 TA (OVA, HoU): 0.86 FTE * EUR 170,900 = EUR 146,974 TA (coord.): 1.80 FTE * EUR 170,900 = EUR 307,620 TA (fin.): 1.46 FTE * EUR 170,900 = EUR 249,514	External expert costs EUR 176.000 (PHP) + EUR 347,768 (AGRI) = EUR 523,768	
Stage 2 Contracting and Monitoring phase of grant agreements up to final payment execution	TA (legal, reporting, IC, accounting): 0.65 FTE * EUR 170,900 = EUR 111,082 CA FGIV (PO, legal, IT): 15.52 FTE * EUR 100,300 = EUR 1,557,153 CA FGIII (FO): 4.55 FTE * EUR 69.600 = EUR 316,680 CA FGII (Project assistant): 1.90 FTE * EUR 69,600 = EUR 132,240 <i>Cost of staff for Stage 1 & 2:</i> EUR 2,881,078 (27.09 FTE)		
Stage 3 Ex post control and follow up	CA FG III (ex-post control officer): 1.0 FTE * EUR 69,600 = EUR 69,600	External contract for ex-post audits = EUR 105,666	EUR 175,266
Total costs			EUR 3,580,112

¹⁸ DB BUDG "Additional Guidance on Internal Control Strategies".

Ratio costs of controls versus related amount managed (commitment + payment appropriations for grants)	EUR 3,580,112 / (EUR 117,390,958 ¹⁹ + EUR 83,950,911 ²⁰) = 1.78 %
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Evolution in recent years

Cost of control (EUR) ²¹			
2016	2017	2018	2019
3,044,197	2,179,100	3,354,356	3,580,112

Ratio costs of controls / overall funds managed			
2016	2017	2018	2019
3.80 %	2.60 %	1.66 %	1.78 %

To calculate the cost of control on grants in 2019, all the staff costs and other costs related to the preparation of the calls, for the evaluation of proposals, for the preparation and signature of the grant agreements (commitment appropriations), for the monitoring of the grants, for the payments and recoveries (payment appropriations), for ex-post and reporting were taken into account. These processes were carried out by 28.09 FTE and for a total amount (also including external costs) of EUR 3,580,112. This represents 1.78 % of the 2019 commitment / payment appropriations for grants.

The evolution of the ratio costs of controls/overall funds managed remains in line with 2018. However, the data from 2018 and 2019 cannot be fully compared to previous years, as the methodology of calculation was updated in 2018²².

The control strategy for grants is considered to be cost-effective overall.

Calculation of costs of control – Procurement

As for grants, the calculation is based on the annex 3 of the *Guidance Note on the estimation, assessment and reporting on the cost-effectiveness of controls* of December 2018. To facilitate the calculation, the staff cost for stage 1, 2 and 3 were merged.

Process	External inputs
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¹⁹ Grant commitment appropriation.

²⁰ Grant payment appropriation.

²¹ The sensitive increase in the cost of control registered in 2018 was mainly due to a change in the cost calculation methodology.

²² However, in 2016-2017, Chafea made a significant effort in adapting the financial circuits and in revising the control strategy. Consequently, the cost of controls for grants decreased from 5.3% in 2014 to 2.60 % in 2017.

	Cost of staff (EUR)	(EUR)
Stage 1 Planning and definition of needs	TA (AO): 0.35 FTE * EUR 170,900 = EUR 59,815	N/A
Stage 2 Evaluation of the offers submitted and award	TA (OVA, HoU): 0.94 FTE * EUR 170,900 = EUR 160,219	
Stage 3 Supervisory measures during contract implementation.	TA (coord.): 1.8 FTE * EUR 170,900 = EUR 307,620 TA (fin.): 1.34 FTE * EUR 170,900 = EUR 229,006 TA (legal, reporting, IC, accounting): 1.15 FTE * EUR 170,900 = EUR 196,528 CA FGIV (PO, legal, IT): 15.37 FTE * EUR 100,300 = EUR 1,542,104 CA FGIII (FO): 2.45 FTE * EUR 69,600 = EUR 1170,520 CA FGII (Project assistant): 2,45 FTE * EUR 69,600 = EUR 170,520 <i>Cost of staff for Stage 1, 2 & 3:</i> EUR 2,881,572 (26.50 FTE)	
Total		EUR 2,881,572
Ratio costs of controls versus related amount managed (commitment + payment appropriations for procurements)		EUR 2,881,572 / (EUR 67,336,747 + EUR 30,134,632) = 2.96 %

Evolution in recent years

Cost of control (EUR)			
2016	2017	2018	2019
1,592,856	1,159,839	2,709,837	2,881,572

To calculate the cost of control on procurements, all the staff costs and other costs related to the preparation of the calls, for the evaluation of offers, for the preparation and signature of the contracts (commitment appropriations), for the monitoring of the contracts, for the payments and recoveries (payment appropriations) were taken into

account. These processes were carried out by 26.50 FTE for a total amount of EUR 2,881,572. This represents 2.96 % of the 2019 commitment / payment appropriations for procurements.

Main cost-drivers are: i) the highly regulated public procurement procedures requiring in-depth knowledge and experience of staff to ensure compliance and good quality of each process; ii) open calls for tender for new tasks and actions in technically complex environments entailing a relatively high workload for drafting tender specifications; iii) the high number of relatively small-value contracts increasing the work load indicator "cost over budget spent".

Ratio costs of controls / overall funds managed			
2016	2017	2018	2019
3.00 %	1.40 %	3.95 %	2.96 %

Total cost of control

Evolution of the total cost of control

Cost of control (EUR)			
2016	2017	2018	2019
4,637,053	3,338,939	6,064,193	6,461,684

Evolution of the ratio costs of controls / overall funds managed

Ratio costs of controls / overall funds managed			
2016	2017	2018	2019
4.00 % ²³	4.00 %	2.24 %	2.16 %

²³ 3.00 % if including commitments.

4.5 QUANTIFIABLE CONTROL BENEFITS

Grants management

Stages of procedure		Prevented ²⁴ or dissuasive benefit (EUR)	Detected error (EUR)	Corrected error (EUR)
Stage 1	Evaluation and selection of proposals	<i>Value of non-eligible proposals adjusted by a success probability coefficient of 25%</i> AGRI: EUR 8,555,053 ²⁵ + PHP: EUR 0 + CONS: EUR 19,885 = EUR 8,574,938		
Stage 2	Contracting		<i>Difference "requested by successful applicants" minus "signed"</i> AGRI: EUR 800 + PHP: EUR 31,778 + CONS: EUR 56,739 = EUR 89,317	
Stage 3	Monitoring of grant agreements implementation (up to final payment)		<i>Difference "invoiced" minus "paid"</i> AGRI: EUR 0 + PHP: EUR 1,173,415 + CONS: EUR 56,197 = EUR 1,229,612	

²⁴ Benefits under 'prevented' take into account benefits deriving from the controlling activities up to the moment of the grant agreement signature; equals "total budget requested in all submitted proposals – total budget awarded", difference 'requested – granted exceptional utility, etc.

²⁵ It includes the amount relevant to projects which are managed directly by Chafea and the proposals which were later managed in shared management and where Chafea did not sign the grant agreement. Without this latter, the total benefit would have been EUR 7,499,350.

Stage 4	Ex-post control implementation and follow up			EUR 93,582²⁶
Total quantifiable benefits for grants:		EUR 9,987,449		

Procurement management

Stages of procedure		Prevented or dissuasive benefit (EUR)	Detected error (EUR)	Corrected error (EUR)
Stage 1	Planning and definition of needs	<i>Allocated for procurement:</i> PHP: EUR 1,239,180 (carry over 2018) + EUR 14,554,283 ²⁷ + BTSF: EUR 16,912,724 (carry over 2018) + EUR 18,000,000 + CONS: EUR 7,686,133 (carry over 2018) + EUR 8,293,663 + AGRI: 2,841,507 (carry over 2018) + EUR 9,500,000 = EUR 79,027,490		
Stage 2	Procurement preparation and organisation, evaluation of the offers submitted and award	<i>Contracted (FD2018 + FD2019):</i> PHP: EUR 4,488,268 + BTSF EUR 5,512,799 + AGRI: EUR 10,980,954 + CONS: EUR 13,620,844 = EUR 34,602,865 <i>Difference Allocated – Contracted:</i>		

²⁶ Total recovery amount for 2018 ex-post audit cycle (concluded in 2019).

²⁷ The AWP did not include indicative amount per procedure, nor split of the total envelope for procurement between Chafea and DG SANTE (the total amount in financing decision for procurement was EUR 24,000,560). Before cancellation of some procedures and transfer of others to DG SANTE an (initial estimate) was EUR 17,404,288.80 for the part in charge of Chafea. After cancellations and transfers, EUR 14,554,283 was actually planned for implementation by the Agency.

		<p>EUR 79,027,490 - EUR 34,602,865 = EUR 44,424,625</p> <p><i>Carry over 2020:</i> PHP: EUR 11,472,418 + BTSF: EUR 12,487,201 + CONS: EUR 2,268,951 + AGRI: EUR 15,743,571²⁸ = EUR 41,972,141</p> <p><i>Difference after removing carry-over 2020:</i></p> <p>EUR 44,424,625 - EUR 41,972,141 = EUR 2,452,484</p>		
Stage 3	Supervisory measures during contract implementation ²⁹		EUR 149,664	
Total quantifiable control benefits procurement:		EUR 2,602,148		

²⁸ For the Promotion of agricultural products (AGRI) programme, the carry over of EUR 15,743,571 refers to the leftover from the 2019 grants budget that will be eventually used for procurement.

²⁹ Difference contracted minus paid.

ANNEX 5: Relevant Control System(s) for budget implementation (RCSs)

Grant Direct Management

Stage 1: Programming. Preparation, adoption and publication of the Annual Work Program (AWP) and Calls for Proposals

Main control objectives: Ensure that the Agency selects proposals that contribute the most towards the achievement of the Programs' general and specific objectives; ensure that call for proposals procedure is organised and conducted in compliance with the applicable rules; ensure that control system does not allow fraud to occur.

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>a. The annual work programme (serving as the financing decision) and the subsequent calls for proposals do not adequately reflect policy objectives, priorities; the eligibility, selection and award criteria are not adequate/ poorly defined, and cannot ensure a proper evaluation.</p> <p>b. Explicit and specific objectives (SMART) of foreseen action/programme, management mode(s), the maximum EU financial contribution, the types of beneficiary, fraud prevention measure are not clearly established. This can be due to the lack of review by policy area experts, legal officers, finance officers, communication specialists</p> <p>c. The objectives of the Annual Work Program (AWP) do not correspond to political EU goals. This could have an impact on non-achievement of EU objectives</p> <p>d. A lack of efficiency in identifying on time the overlapping between several AWP directed at the same kind of beneficiary can conduct to a risk of double funding (waste of resources)</p> <p>e. A too rigid basic act which can lead to a reduce of flexibility in</p>	<p>a. The annual work programme that serves as financing decision is adopted by the European Commission following an inter service consultation; the Agency, in line with its remit, provides technical input and helps the Commission to define the elements that will contribute to the clarity of the call text and allow for the smooth evaluation of the proposals, in line with the provisions of the FR.</p> <p>b. The preparation and the adoption of the basic act are not included as the risks linked to this are quite limited. Chafea is an Executive Agency implementing the programmes of the parent DGs.</p> <p>c. As above</p> <p>d. As above</p> <p>e. As above</p> <p>f. As above</p> <p>g. As above</p> <p>h. As above</p> <p>i. The Agency liaises with the responsible Commission departments from the outset of the programme's preparation and is in a position to launch calls for proposals at the day of the adoption of the AWP (serving as financing decision) if needed.</p> <p>j. As above</p> <p>k. Risks linked to this phase is quite limited as Chafea is an</p>	<p>Coverage/Frequency: 100% - all calls for proposals launched by the Agency are checked for compliance with the financing decision and the applicable legal framework.</p>	<p><i>Effectiveness:</i></p> <p>a. budget amount of the work programmes concerned;</p> <p>b. number of complaints received by applicants due to non-clarity of the call text;</p> <p>c. number of proposals received over number expected and/or in relation to the previous year (s).</p> <p><i>Efficiency:</i></p> <p>a. average cost per call and/or selected proposal;</p> <p>b. % of costs (FTEs) over annual amounts disbursed in grants;</p> <p>c. time to publication of selection results.</p> <p><i>Economy:</i> Costs: FTE of staff involved in the procedure (full cost approach).</p>

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>the choice of assistance for the actions being funded</p> <p>f. A lack of internal resources in the DG to launch and properly monitor the actions lead to a waste of time and resources and non-achievement of the EU objectives</p> <p>g. Significant delays (e.g. comitology procedure) result of a lack planning and organization for the adoption of the AWP, for programme management and monitoring arrangement.</p> <p>h. The absence of proper budget estimation can have an impact on non-achievement of EU objectives, waste of time and resources, adverse reputation</p> <p>i. Delays occur in adopting the AWP serving as the financing decision/annual work programme is published later than 31.3.of year N.</p> <p>j. Lack of precision in identifying the beneficiaries can generate non-achievement of EU objectives, waste or bad distribution of resources, litigation, and adverse reputation</p> <p>k. Grant programmes may not be properly evaluated ex-ante to take into account the risks linked with the proposals and lessons learned from similar experiences in the past</p> <p>l. Late publication of the calls for proposals may result in short deadlines for the submission of applications; this, in its turn, may not allow for proposals of a satisfactory level of quality to be submitted. As a result, the attainment of the program's objectives may not be optimal or even jeopardised.</p> <p>m. accumulation and duplication of grants is not prevented</p>	<p>Executive Agency, only implementing the programmes of the parent DGs</p> <p>l. Efficient grant planning to ensure that calls for proposals are published within the period indicated in the annual work programme.</p> <p>m. .SEP & SYGMA IT tools used by the Agency for proposal submission and grant management provide the Agency with information on the EU grants that the applicant benefits from; the latter is also explicitly requested to declare other applications submitted at the stage of the application procedure (last 3 years)</p> <p>n. Where appropriate and feasible: Launching of communication campaigns to promote funding opportunities</p> <p>o. Refuse bilateral meetings and orient parties toward DG AGRI who does not have a conflict of interest with potential applicants, as it is not involved in the evaluation process. If bilateral meetings do take place, draft minutes and ensure presence of at list 2 staff members. A note was prepared in this respect which instructs the unit not to accept bilateral meetings and to privilege contacts during info days.</p> <p>p. Align the organisation of its helpdesk with the recommendations of DG BUDG's <i>vademecum</i> on grants, i.e. (i) questions are submitted by potential applicants to a functional mailbox advertised in the text of the call and (ii) both questions and answers are then published on a website accessible to all potential applicants. (iii) Deadline for Q&A to be included in the call text.</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>appropriately</p> <p>n. Call for proposals does not reach the target group: Potential impact: non-achievement of EU objectives, delays as the call for proposals has to be re-published.</p> <p>o. Lobbying by potential applicants outside the call publication period: many potential applicants contact the AGRI promotion unit and ask for bilateral meetings, which could cause real or perceived unequal treatment.</p> <p>p. Potential non-compliance with the general principles of transparency and equal treatment (e.g. help-desk of the AGRI Promotion unit).</p>			

Stage 2: Evaluation, Ranking and selection (award of proposals)

Main control objectives: Ensure that the most promising projects for meeting the policy objectives are among the proposals selected (effectiveness); the evaluation and award procedure conform with the applicable rules (legality and regularity); the control system in place does not allow for fraud to occur (especially conflict of interest).

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>a. High volume of grant proposals which need translation might cause delays in the evaluation procedure;</p> <p>b. If potential applicants are not sufficiently made aware of the importance and practical implications of the eligibility requirements relating to the nature of the procedure to select an implementing body, this may create a risk of a high number of cases of non-compliance which can delay the start of the implementation of selected programmes;</p> <p>c. The evaluation, ranking and selection of proposals are not carried out in accordance with the established procedures, the policy objective and/ or the</p>	<p>a. Risk typical mainly for promotion of AGRI products. Use experience from previous year(s) to timely estimate translation timing and budget;</p> <p>b. Reinforcing communication to potential applicants on the importance of a competitive procedure to select implementing bodies and correct the text of the formal declaration made by the applicants to reflect the text of the call unambiguously;</p> <p>c. The evaluation is conducted on the basis of detailed rules that are stipulated in the guide for applicants (publicly available via the applicants' Horizon 2020 portal); the evaluators appointed by the AOD, apart from their technical experience, are appointed</p>	<p>100% of the proposals submitted are evaluated on the basis of the eligibility, selection and award criteria;</p> <p>100% of the proposals are examined by PO to review their technical merit;</p> <p>100% of the EU staff, external experts when involved in the evaluation sign declaration of non-conflict of interest and confidentiality; random checks are performed (on the basis of risk analysis) to verify the accurateness of the declarations.</p>	<p><i>Effectiveness:</i></p> <p>a. % of proposals that successfully challenged the evaluation results/ award decision;</p> <p>b. % of experts excluded as being in a conflict of interest situation;</p> <p>c. number of litigation procedure (s) initiated;</p> <p>d. number of Supervisory control failures (led to exception report);</p> <p><i>Efficiency:</i></p> <p>a. Time to inform applicants on evaluation/award results.</p> <p>b. % of proposals where TTI was within the legal limits.</p> <p>c. Nr of days exceeding legal limits, by unit</p>

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>announced eligibility, selection and award criteria;</p> <p>d. Risk of confusion between selection and award criteria: If the guidance provided to the experts is not sufficiently clear on the distinction between eligibility, selection, and award criteria, there is a risk for the quality of evaluation;</p> <p>e. Unauthorised persons gain access to the electronic exchange system for grant evaluation and management; confidentiality, integrity and personal data protection of the information included in the system is not adequately protected;</p> <p>f. Members of the opening and/or evaluation committee do not have the technical expertise to properly assess the submitted applications and/or are in situations of conflict of interest;</p> <p>g. External experts that participate in the technical assessment of the proposals (but not as members of the evaluation committee) are in situations of conflict of interest (selection process biased)³⁰;</p> <p>h. Incomplete checks on absence of conflict of interest in case of self-employed or retired experts, there is a risk to the principles of transparency and equal treatment;</p> <p>i. The preannounced selection and award criteria are not adequately and consistently applied during the evaluation of proposals;</p> <p>j. Unauthorised persons may have access to systems and confidential documents (content of the</p>	<p>on the basis of knowledge regarding rules applicable to grants;</p> <p>d. Guidance material for experts on evaluation with a clear explanation on what the eligibility, selection, and award criteria are and their distinct purposes. Reference to eligibility and selection criteria should be removed from the instructions on assessment of the award criteria;</p> <p>e. The Agency uses the same grant management system as for Horizon 2020 programmes; the latter is designed to authorise access only to applicants (receiving/using authentication data) and authorised EU staff via the corporate (ECAS) Commission authentication system; integrity of the documents is preserved since audit trail exists for each change whose effectuation is allowed by the system (person/time);</p> <p>f. The members of the evaluation committee are officials of the DG whose programme is managed by the Agency (DG SANTE) and DGs with objectives that relate to those of DG SANTE (e.g. DG RTD). Naturally, these officials are in the best position to understand if the actions included in the proposals received by the Agency are appropriate to meet the policy objectives concerned. All members of the evaluation committee sign a declaration of non-conflict of interest;</p> <p>g. The Agency selects its experts from an AMI list (Call of Expression of Interest); the experts CVs are checked for any professional/personal instances that might be considered conflicting; the experts are requested to</p>		<p>(programme/call /proposal/case)</p> <p><i>Economy:</i> Costs: total FTE costs of staff involved in the evaluation and selection of proposals; cost of appointment of experts.</p> <p>Benefits: for proposals qualified as non-eligible and rejected the total value of requested EU contribution.</p>

³⁰ Outside experts assist the evaluation committee by decision of the Authorising Officer in relation to the Public Health Programme (RAP art. 204).

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>proposals);</p> <p>k. Eligible and effective projects are not selected;</p> <p>l. The applicants do not have sufficient sources of funding to maintain their activity throughout the period during which the action is carried out;</p> <p>m. The applicants do not have the professional competences and qualifications required to complete the proposed action or work programme;</p> <p>n. The action is not clearly defined in the grant application;</p> <p>o. The grant application does not contain all information and supporting documents required for the evaluation;</p> <p>p. A grant is awarded for an action that has been already started without the beneficiary demonstrating a special need for this or a grant has been awarded retroactively for an action already completed;</p> <p>q. Weaknesses in the design of the checks on double funding may result in ineligible expenditure not being detected.</p>	<p>sign a declaration of non-conflict of interest and list the projects where he/she has worked before their appointment; both the names of the selected experts and those of their employers' are checked against the applicants that submitted a proposal in response of the Agency's call for proposals; in case it is found that an expert was employed by an applicant, this expert was excluded from the assessment of all proposals submitted in response to the specific call topic (this is relevant for the calls for projects that are divided in seven different thematic categories (topics));</p> <p>h. Duly address all identified situations of potential conflict of interest and extend the checks on potential conflicts, to the extent possible, to other contractual relations with applicants, such as consulting services provided by self-employed external evaluators. A provision will be included in next year's model contract for experts for self-employed experts to declare the names of companies for whom they worked. Legal cell already requested REA to amend the model of expert's contract. In the meanwhile expert declare their self-employment by e-mail;</p> <p>i. The technical content of each proposal is evaluated by three external experts; their assessment is reflected in a consensus report that 'merges' their technical assessment. The consensus report is constructed on the basis of the announced award criteria- the evaluation committee applies the same criteria for the overall assessment of all the submitted proposals;</p> <p>j. All proposals are both received and managed electronically within the SEP, SYGMA platforms; access (internally) is granted to authorised staff members via the</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	<p>Corporate Commission authentication system. External people (applicants) are granted access via authentication logs provided by the system; only staff responsible with the administrative management of the proposals, the experts (for the proposals attributed to them) and the evaluators have access to the proposal and the supporting documentation; external expert are checked for potential conflict of interest.</p> <p>k. The eligibility of the applicants is a straightforward criterion to be verified; the effectiveness of the proposals highly depends on the proper specification on the action as well as organisation and planning issues; the application form that needs to be filled in by the applicants, requests the applicant to elaborate how those issues will be confronted; Clarifications may be requested by the AO or by the evaluation committee on the basis of art. 200 of the FR,</p> <p>l. each applicant is assessed for financial viability according to specified parameters so as to ensure that applicants will have the financial capacity to carry out the action (assessment is made by Research Executive Agency but the decision regarding the viability lays with the Agency's AO);</p> <p>m. Selection criteria assess professional competence of the applicant organisation/ individuals that will deal with the action on the basis of supporting documents; random checks are made regarding the accuracy of the information provided in the proposals;</p> <p>n. The basic elements of the action as well as the expected deliverables are part of the elements of the application form that need to be filled in; during the adjustment</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	<p>phase non-substantial adjustments may be done to ensure that all information pertinent for the implementation of the actions is properly described.</p> <p>o. In line with the principle of proportionality the AO or the evaluation committee may request the applicants to clarify supporting documents (art 203 FR or provide additional information with due observance of the principle of equal treatment. If documents that are indispensable for the assessment of the applications are missing the system does not allow the submission of the proposal; the same goes in case necessary documents requested from the successful applicants (adjustment phase). The system alerts the manager of a project in case of missing documents and sends automatically generated alerts;</p> <p>p. Retroactivity of grants is not, in principle, allowed. In exceptional cases, the AO may decide to do so if the applicant can demonstrate the need for starting the action prior to the signature of the grant (article 193 FR); the absolute necessity of this deviation is assessed before the AO authorises the retroactivity.</p> <p>q. For the checks on double funding, e.g. CHAFEA AGRI Unit checks whether potential beneficiaries appear in ABAC. This list is also sent to DG AGRI, which then checks whether these potential beneficiaries are in the CATS database and sends the information back to CHAFEA. As a result, a list of beneficiaries flagged as a potential risk for receiving double funding is established. The unit develops a procedure with the parent DG where the latter, via its audit unit, checks if other grants are awarded from the CAP budget to the same beneficiaries. During the ex post stage, check of</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	potential double funding will be performed by the competent authorities – in case of simple programmes the MS or DG AGRI audit unit, in case of multi programmes - Chafea's ex-post team. Developing, where applicable, complementary checks at the implementation stage for those beneficiaries flagged with a higher risk of double funding. Where such checks are applicable/feasible, CHAFEA should coordinate with DG AGRI (to benefit from its broader overview on the CAP) and to ensure consistent treatment for dealing with multi and simple programmes.		

Stage 3: Contracting phase: transformation of the awarded proposals to grant agreements

Main control objectives: ensure that grants are signed within the deadlines so that selected actions are promptly initiated (effectiveness, efficiency), ensure that grant agreements are in line with the provisions of the relevant call for proposals and the applicable rules (FR).

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>a. The description of the action included in the grant agreement include actions that are not in line with the call for proposals and do not contribute to the attainment of the program's objectives;</p> <p>b. Budget foreseen overestimates the costs that are necessary to carry out the action;</p> <p>c. Grants are not signed within the prescribed deadlines; this may cause delays regarding the action implementation;</p> <p>d. Beneficiary lacks the operational and financial capacity to carry out the</p>	<p>a. The adjustment phase may only result to non-substantial adjustments during the grant preparation as proposed by the evaluation committee (article 200.4 FR); thus it is unlikely that an action receiving a grant is in non-conformity with the programme's objectives;</p> <p>b. Budget is 'adjusted' to the final version of the action's work programme; detailed budget including personnel, subcontracting and other direct costs per applicant/beneficiary is calculated before the signature of the grant agreement; this calculation uses as basis the work packages that constitute the core of the co- financed action/work programme;</p> <p>c. In line with the Key</p>	<p>100% of the awarded grant agreements are 'adjusted' on the basis of the recommendation of the evaluation committee;</p> <p>100% of the grants under signature are monitored for meeting the target commitment/signature deadlines;</p> <p>100% grants signed are filtered for the necessity of a financial guarantee</p>	<p><i>Effectiveness:</i> Degree of budget consumption: % of the awarded grant agreements that led to the signature of a grant agreement (and evaluation committee proposals accepted).</p> <p><i>Efficiency:</i></p> <p>a. Time to Grant. b. % of grant agreements committed and signed within the target and regulatory provided deadline. c. Nr of days exceeding legal limits, by unit (programme/call /proposal/case)</p> <p><i>Economy:</i> Costs: FTEs cost of</p>

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>agreed action;</p> <p>e. Action is not clearly defined in the grant agreement;</p> <p>f. Financial risks connected with pre-financing but grant agreement does not require the beneficiary to lodge a guarantee in advance.</p>	<p>Performance Indicators announced in the Agency's work programme, the Agency has put in place monitoring system that allows for continuous supervision regarding the internal target deadlines set for the commitment execution. The e-submission and grant management system (SEP/SYGMA) produce statistics related to all efficiency indicators (time to inform applicants / time to grant); the same goes for payment deadlines;</p> <p>d. The operational and financial capacity of the applicant has been assessed at the time of the evaluation of the proposals; reinforced monitoring in case of high- risk beneficiaries is performed; the grant agreement that is signed with a beneficiary includes a clause enabling the Agency to terminate the contract in case of substantial change to the beneficiary's legal, financial or technical situation;</p> <p>e. A technical annex is part of the grant agreement; the annex describes all important implementation aspects of action adjusted in conformity with the comments provided by the evaluation committee; the technical annex is verified by the responsible staff member regarding its conformity with the comments of the evaluation committee; thus, it is ensured that the co-financed action is properly defined;</p> <p>f. Before the signature of the grant agreement on the basis of a risk assessment, the Agency may include a clause regarding the necessity to lodge a guarantee as a prerequisite for the pre-financing instalment.</p>		<p>staff involved in the contracting procedure. Benefits: For proposals awarded, the total value of the difference between requested EU contribution and EU contribution specified in the signed grant agreement.</p>

Stage 4: Monitoring of execution of the grant agreements; monitoring of the operational, financial and reporting aspects related to grant management

Main control objectives: ensure that the operational results (deliverables) from the projects are of a good value and meet the objectives and conditions stipulated in the grant agreement (effectiveness& efficiency); ensure that the related financial operations comply with the regulatory and contractual provisions (legality and regularity); controls prevent fraud to occur; appropriate accounting of the operations is ensured (reliability of reporting, safeguarding of assets and information).

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>a. Actions foreseen in the grant agreements are not totally (or partially) carried out in accordance with the technical description and requirements foreseen;</p> <p>b. Non-eligible costs are reimbursed or the Agency reimburses eligible costs in excess of the overall grant ceiling;</p> <p>c. The beneficiary unduly obtains financial profit as a result of systemic errors, irregularities, fraud or breach of obligations;</p> <p>d. The agreed action is not carried out properly or is not carried out timely;</p> <p>e. Changes to grants are not properly documented or authorised;</p> <p>f. Applicable requirements for dissemination of results are not respected;</p> <p>g. Data entry in electronic grant management/ ABAC is inaccurate, EWS is neglected.</p> <p>h. Supporting documents are lost, lack of audit trail;</p> <p>i. Action requires the purchase of goods, works or services, and the beneficiary did not ensure best value for money, or failed to comply with the applicable national law on public procurement (in case beneficiary is a 'contracting authority), or fails to comply with additional conditions specified in the grant agreements for high value purchases (if applicable);</p> <p>j. Subcontracting to linked entities is allowed under Agri</p>	<p>a. Project officers in charge of the project closely monitor implementation and alert beneficiaries/ Agency's management in case of delays/deviations;</p> <p>b. The types of eligible costs are identified in the grant agreement; they are further specified in the final budget that makes part of the grant agreement; the request of payments are scrutinised by the project officers and financial officers that act as operational initiators; OVA and ex-ante verifying officer make part of the control chain;</p> <p>c. The requests for payments are backed up with supporting documents that are provided for in the guidelines for interim/final payments (certificates, audit reports, etc.). On the spot checks may be considered in case of risky projects. Project officers, financial officers, OVA, FVA make part of the control chain before payment is authorised;</p> <p>d. The evolution of all projects is monitored by the project officer in charge; non optimal evolution of co-financed actions results in enhanced monitoring and enforcement of relevant grant agreement provisions (e.g. payment suspension, reductions, recoveries).</p> <p>e. All pertinent changes regarding the action implementation are implemented via formal amendment; beneficiaries are reminded by the Agency on their contractual obligation to promptly report changes that are envisaged during kick of meeting of the action. amendments are processed through the electronic grant management system;</p> <p>f. The Agency has set up a dissemination policy</p>	<p>100% of the projects co- financed are controlled both in respect to their technical implementation and the corresponding spending before payment is authorised (in accordance with predefined financial circuits).</p> <p>On the spot checks may be organised for projects that are considered riskier; depth defined according to situation.</p> <p>The grant provides for grant reduction in case, for example, of poor implementation.</p>	<p><i>Effectiveness:</i></p> <p>a. Total value of errors detected during ex-ante controls (over authorised payments).</p> <p>b. number and amount of penalties imposed.</p> <p><i>Efficiency:</i></p> <p>a. Time to pay;</p> <p>b. % of late payments (exceeding legal TTP limits)</p> <p>c. Average Nr of days exceeding legal limits, per payment</p> <p><i>Economy:</i></p> <p>Costs: FTE costs of staff involved in the management of running grant agreements.</p> <p>Benefits:</p> <p>a. value of the costs claimed by the beneficiaries but rejected by the OIA/OVA/FVA.</p> <p>b. Value of penalties / liquidated damages.</p>

<p>promotion MGA provided that there is no profit for the linked entity. If this aspect is not checked during analysis of payment requests, there is a risk that the rule as defined in the calls and in the MGA is not observed;</p> <p>k. Agri promotion MGA provides for strict rules on mentioning of origin and brands in communication material. This is translated from the legal base. If the project officers do not check the deliverables carefully, there is a risk that the rules as defined in the legal base are not respected.</p>	<p>regarding the results of the actions that have received EU co-funding; A project data basis is available on the Agency's website where projects and results can be consulted- furthermore, the Agency informs its parent DG on the project's deliverables via a special note;</p> <p>g. ABAC users are trained and follow ABAC user's guidelines- in depth training has been provided to the Agency's staff responsible for the evaluation of applications and management of the ensuing grant agreements (SEP/SIGMA).information regarding the new system's functionalities were provided by the Agency to external parties in the context of special 'information days';</p> <p>h. All documents from proposal submission until final payment of a co-financed action are stored in the e-grant management system and an audit trail for each action/person performing it is provided via the system;</p> <p>i. Rules that the beneficiary needs to comply with in relation to the purchase of goods, works or services make part of the provisions of the grants agreement; if these rules are not respected the Agency may consider the expenditure incurred as ineligible;</p> <p>j. Guide for payments to cover the checks on subcontracting to linked entities. Same type of financial reports and supporting documents to be required from such subcontractors as from beneficiaries in order to be able to check if the non-profit rule is observed;</p> <p>k. Guide on approval of deliverables to include a checklist used by project officers.</p>		
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Stage 5: Ex-post controls

Main control objectives: measuring effectiveness of ex-ante controls by the results of the ex-post controls; detect and correct errors or fraudulent actions; (legality and regularity- anti-fraud) assess systemic deficiencies of the ex- ante control system based on the results of the ex-post controls (sound financial management); ensure that the audit results from the ex-post controls lead to effective recoveries (legality & regularity, anti-fraud strategy); ensure appropriate accounting of the recoveries made (reliability of reporting).

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>a. The ex-ante controls as such may not be able to prevent, detect and correct all erroneous payments or attempted fraud;</p> <p>b. Inadequate audit methodology due to lack of in-house expertise of auditors and inadequate audit procedures results in errors, irregularities or fraud not being detected;</p> <p>c. The ex post controls focus on the detection of external errors (made by the beneficiaries) and do not consider any internal errors made by the staff or embedded systematically in the own organisation;</p> <p>d. Errors, irregularities and cases of fraud detected are not addressed or not addressed timely;</p> <p>e. Lessons learnt from the audit results are not exploited so as to reinforce the general internal control system;</p> <p>f. Unwarranted assurance is being provided in the AAR (incorrectly estimated error rates,).</p>	<p>a. The ex-post control strategy aims at detecting possible errors which were not detected at the stage of the ex-ante control chain and draws assessment on the effectiveness of ex- ante controls;</p> <p>b. The ex-post control function is outsourced; the audit firms performing the audits are chosen through a competitive procurement procedure either from DG BUDG Framework Contracts or by Chafea Framework Contracts signed with (multiple) contractors. The audit firms are chosen, amongst other criteria, on the basis of their expertise in the domain; the auditors perform ex-post control covering standardised items described in an audit programme;</p> <p>c. The nature of the errors detected, allow the agency to assess if it was in a position to have detected the error at the time of the ex- ante control procedure; financial and operational initiators/verifiers that performed the given ex ante controls are informed on the concrete cases; if errors point to structural deficiencies, the Agency addresses the situation at management level;</p> <p>d. The ex-post controls are carried out within a predetermined timeframe; the contradictory procedure is organised according to predefined procedure and deadlines; once</p>	<p>Ex-post controls aim at verifying the eligibility and the accuracy of cost items as well as the compliance of cost statements established by the beneficiaries with legal provisions of the grant agreements. The ex-post control strategy consists of annual planning of the number of on-the-spot audits the definition of a sample of transactions (calculation of residual error rate) and selection of transactions that are considered risky;</p> <p>The ex-post controls strategy has a twofold approach:</p> <p>i. random sampling of transactions which aims at building over several years a representative sample of the entire population of transactions per programme managed; the aim is to, enable the Agency to draw statistically valid conclusions regarding the whole population;</p> <p>ii. risk-based sampling targeted to the transactions identified by the responsible operational and financial initiators, as bearing a higher level of risk (e.g. shortcomings during implementation, discrepancies between estimated/actual</p>	<p><i>Effectiveness:</i> residual error rate < 2% Using stratified sample (higher-risk group and low-risk group the authorising officer benefits from increased assurance on the error rate over the total population.</p> <p><i>Efficiency:</i> % of costs for audits over the amount disbursed in grants for the year; Success ratio of recovery orders launched; Number of audit recommendations whose implementation is pending.</p> <p><i>Economy:</i> Costs: FTE costs of staff involved in the controls plus the price of the external services. Benefits: value of errors detected by the auditors for the year, which will result in recoveries;</p>

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	<p>the findings of the auditors' report are approved, follow up is ensured by the Agency;</p> <p>e. An annual ex-post control report depicts the main results of the audits' findings and is used as reference for the lessons learnt;</p> <p>f. The ex-post control methodology is based on the relevant EC guidelines issued by DG BUDG. Thus, the risk that results of non-reliability of the ex-post control results is considered low.</p>	costs).	
			<p>Economy overall GRANTS</p> <p>a. Cost-effectiveness in % of costs of FTEs involved in controls vs the total funds managed (evolution over time);</p> <p>b. Cost/benefit ratio regarding controls on payments, (evolution over time).</p>

Procurement Direct Management

Stage 1: Planning and definition of needs

Main control objectives: Ensure that the Agency organises the procurement procedures in an effective, efficient and economic manner; the procedures organised comply with the applicable legal and procedural provisions.

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>a. The needs are not well defined (services and budget availability) and the decision to procure was inappropriate to meet the policy objectives; Delays in confirmation by parent DG to implement the procurement procedures;</p> <p>b. The best offer/s are not submitted due to the poor definition of the tender specifications (TS);</p> <p>c. Calls for tender are launched with an insufficient deadline for tender submission (e.g.</p>	<p>a. A reference to the procurement procedures to be launched during the year is made in the annual work programme; the Agency, in cooperation with the parent DG, drafts detailed tender specifications (TS) including the definition of the relevant evaluation criteria; separate note with justification regarding the (a) price estimation and (b) purpose of the procurement procedure is submitted to the AO before the launch is</p>	<p>100% of the procurements based operational expenditure are part of the annual work programme that is implemented by the Agency;</p> <p>100% of the envisaged procurements include a justification on the announced maximum price before they are authorised;</p> <p>100% of procurements above the Directive threshold are checked by the legal</p>	<p><i>Effectiveness:</i> Number of implemented procedures; Number of procedures discontinued due to lack of use (poor planning); N° of 'open 'procurement procedures where only one or no offers were received; N° of requests for clarification regarding the tender.</p> <p><i>Efficiency:</i> Duration of a procedure.</p>

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>because of non-consideration of complexity of requested services, call launched very late in the year, etc.;</p> <p>d. Uncertainties regarding the authorising service or the internal "owner" of the procurement initiative could lead to dual or vague ownership;</p> <p>e. The procurement needs have not been clearly defined (i.e. what is to be purchased exactly? Why? When? How?);</p> <p>f. the trigger of the procurement initiative could have an inappropriate internal or external influence;</p> <p>g. Have the stakeholders reviewed the proposed procurement need (informally or via an ISC), e.g.: final users, subject matter, experts; maintenance team, security experts; operational management, etc.;</p> <p>h. For IT procurement, there is a risk that the material to be procured is not compatible with other IT and/or support systems in the EC. for this purpose, appropriate consultations of IT monitoring committees have to take place;</p> <p>i. The required services /supplies/ work could be provided via an already existing procurement contract;</p> <p>j. Other Institutions / Agencies / DGs or Directorates may be interested in procuring the same type of services / supplies / work which could lead to an inter- institutional procurement procedure;</p> <p>k. The negotiated procedure could be not sufficiently justified (Point 11 Annex 1 FR);</p> <p>l. the management would not demonstrate that the decision to launch the procurement is justified and will contribute to the achievement of the DG's objectives;</p> <p>m. Management could</p>	<p>approved;</p> <p>b. The TS prepared are checked by the legal team of the Agency to verify, among others aspects, the clarity, consistency and relevance of the selection and award criteria; the AO approves the final text of the TS;</p> <p>c. The calls for tenders launched by Chafea comply with the minimum deadlines for tender submission provided by the legislation; the Agency provides for longer deadlines whenever feasible, especially if the starting date for the service execution allows for it. If needed and appropriate, initially foreseen deadlines are extended;</p> <p>d. The annual work programme (AWP) defines who will launch the procedure. The contract notice, TS and model contract duly indicates who will be the contracting authority in charge of the contract. All documents are published through e-tendering tool;</p> <p>e. The AWP only mentions in a very general way the aim of the procurement procedures (e.g. Topic). However, the TS must provide a very clear description of the services to be purchased. At operational level, we apply the four eyes principle for checking the quality of the TS prepared by the Agency. In addition to this, further checks are carried out at level of legal, financial, ex-ante, etc.;</p> <p>f. TS are drafted in a way that the principles of transparency, proportionality, competition, equal treatment and sound financial management are respected. This is also verified during the quality check process;</p> <p>g. Chafea never involved stakeholders or external</p>	<p>department for compliance with public procurement rules.</p>	<p><i>Economy:</i> Costs: FTE costs of staff involved</p>

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>demonstrate that it would not be more advantageous to use in-house resources;</p> <p>n. The procurement decisions and supporting justifications could not be adequately documented</p> <p>o. There is no legal basis for the procurement;</p> <p>p. There is no money on the relevant budget line;</p> <p>q. No valid financing decision for the procurement exists;</p> <p>r. No procurement project plan has been established;</p> <p>s. The plan doesn't clearly indicate the estimated timing and deadlines for time-consuming process steps, e.g. the establishment of the TS, the evaluation of the tenders (i.e. in case of complex procurement projects) and translation";</p> <p>t. The plan does not clearly indicate the legal time constraints (e.g. the time limit between dispatch of the contract notice and the deadline for submission of the tender or contracting deadlines;</p> <p>u. The deadlines are not realistic;</p> <p>v. It may happen that Timing issues could exist and has to solved Timing related issues and management has to solve it by setting up a monitoring process;</p> <p>w. The Agency may have not taken into account the "lessons learned" from previous procurement reviewed (e.g. questions received from tenderers, process weaknesses and case law if available);</p> <p>x. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks;</p> <p>y. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes;</p> <p>z. Human factor & competencies, lack of</p>	<p>actors in the preparation of the procurements documents;</p> <p>h. Generally, for IT procurements material is procured through FWC with DG DIGIT and needs assessed in Chafea;</p> <p>i. Before launching a new procedure, we check whether a valid (accessible) FWC covering the field of interest is available;</p> <p>j. We carry out an inter-institutional procurement procedure if a) the contract is of interest of two or more contracting authorities b) there is a possibility of realising efficiency gains;</p> <p>k. We duly implement the provision of the FR and thus we justify the cases according to the rules;</p> <p>l. Risk linked to this phase is quite limited as Chafea is implementing the programmes of parent DGs and the type of procedures are described there;</p> <p>m. As above;</p> <p>n. All the necessary notes, supporting documents and other relevant pieces of information are duly inserted in the procurement file.</p> <p>o. the AWP + Financial Regulation;</p> <p>p. Limited risk as amounts and procedures are defined in the FD and global commitments are done;</p> <p>q. Risk linked to this phase is quite limited as Chafea is implementing the programmes of parent DGs</p> <p>r. An indicative planning is done by the Unit in agreement with the parent DG and implemented following financing decision publication (general document not specific to action);</p> <p>s. See above. May be variable as depending on parent DG input / approval of specifications;</p> <p>t. See above;</p> <p>u. See above;</p> <p>v. Project officers are in</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>knowledge of the basic rules;</p> <p>aa. Transition to e-procurement could entail delays;</p> <p>bb. Misuse of contingency;</p> <p>cc. Involvement of interim staff in procurement procedures: confidential statement signature & Code of good administrative behaviour;</p> <p>dd. No tenders received or very low response to the call: carry out a complete analysis on the reasons behind (e.g. publication done during holidays, framework contractors overloaded with the performance of other contracts, etc.).</p>	<p>direct contact with all services involved for monitoring the implementation of the procedure. Regular updates sent to HoU;</p> <p>w. This task is done by the ACPC level & programme coordinator. The annual ACPC report lists the main weakness related to procurement identified during the year and propose remedy actions;</p> <p>x. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. On-going publication of macro planning tables, covering the procurement indicative planning;</p> <p>y. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Publication of macro planning tables, covering the procurement indicative planning + coordination meetings;</p> <p>z. Trainings, mentoring;</p> <p>aa. Pilot DG's have experienced first cycle of e-tendering;</p> <p>bb. Rules and approval method for the use of contingency in the contract and tender specifications;</p> <p>cc. 4 eye principle;</p> <p>dd. Better planning of publications and preparation of TS according to market. This analysis is done in the ACPC report</p>		

Stage 2: Launch of procedure. Evaluation of the offers submitted and award

Main control objectives: Ensure an effective and efficient evaluation having due regard of the applicable regulatory provisions (legality& regularity); ensure that fraudulent behaviour pertaining to the submission of tenders is detected and corrective action is assumed (exclusion of candidates from participation).

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>Step 1: Call for Tenders</p> <p>a. Management may not take the necessary measure to identify risk related to limited competition/collusion among tenderers (e.g. monopolistic situation) and risks related to conflict of interests</p> <p>b. The "Declaration of absence of conflict of interest and of confidentiality" is not signed before the evaluation of the tender by all persons involved in the evaluation (including external experts if any). This is not mandatory but considered "best practice"</p> <p>c. Certain tenderers may be illegitimately favoured through "tailored" technical specifications, selection and award criteria or by the contract amount or type of procurement procedure;</p> <p>d. Technical specifications (TS) have not been adequately and unambiguously defined and if necessary, it is suggested to have advice from technical experts;</p> <p>e. The persons involved in the preparation of the call for tender are not sufficiently experienced and qualified</p> <p>f. The time foreseen for establishing the selection and award criteria is insufficient."</p> <p>g. Absence of unambiguous and relevant selection and award criteria and these criteria are not clearly distinguished in the tender specifications;</p> <p>h. There is a risk that the selection criteria don't reduce the risk of accepting tenderers lacking financial viability and technical or professional capacity;</p> <p>i. There is a risk to ask a pre-financing guarantee based on the risk assessment carried out internally (pre-financing guarantees are forbidden for the contracts below €</p>	<p>Step 1: Call for Tenders</p> <p>a. As from 2017, the concentration ratio and Herfindhal index will provide the level of competitiveness;</p> <p>b. All members of the evaluation committee must sign a non-conflict of interest and confidentiality declaration;</p> <p>c. The tender specifications (TS) are drafted in a way that the procurement principles are respected. This is an element that is also verified during the quality check process;</p> <p>d. The annual work programme (AWP) only mentions in a very general way the aim of the procurement procedures (e.g. Topic). However, the TS must provide a very clear description of the services to be purchased. At operational level, we apply the four eyes principle for checking the quality of the tender specifications prepared by the Agency. In addition to this, further checks are carried out at level of legal, financial, ex-ante, etc.; in some occasions (mainly in case of FWC) a case study is requested in the tender specifications and evaluated under award criteria;</p> <p>e. The persons involved in the preparation of the call for tender are sufficiently experienced and qualified</p> <p>f. The different evaluation phases are clearly split.</p> <p>g. In most of the procedures launched, the selection and exclusion criteria assessment is completed based on the assessment of the declaration of honour. Only once this is checked the evaluation committee assess the technical offer based on the award criteria. Evidence is requested from the successfully evaluated tenderer.</p> <p>h. Important risk. Even though selection and award criteria are split, capacity of the tenderer is often treated as award criteria.</p> <p>i. Chafea do not pay pre-financing for procurement anymore.</p> <p>j. Liquidated damages' clauses are standard in the general conditions of the contract and not often of use for some specific projects. The special conditions can</p>	<p>100% of procurement procedures with a maximum value above the Directive threshold are scrutinised by the ACPC committee for conformity with the applicable provisions.</p> <p>100% of the documentation submitted with the offers is checked by the Evaluation Committee (exclusion, selection, award criteria).</p> <p>Further cross checks are performed and/ or clarifications required in case of non-substantiated references included in the tender.</p>	<p><i>Effectiveness:</i> Number of procedures challenged during the standstill period. Number of 'valid' complaints or litigation cases filed.</p> <p><i>Efficiency:</i> duration of evaluation and award phase</p> <p><i>Economy:</i> Costs: FTE costs of staff involved in controls. Benefits: total difference between the budgetary allocations for procurement in AWP and the value contracted.</p>

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>60,000);</p> <p>j. The liquidated damages clause to prevent the risk of delays and poor performance are not adapted in the standard contract;</p> <p>k. Monitoring tasks have not been assigned to appropriate staff;</p> <p>l. The contract would not contain relevant and realistic performance standards and doesn't specify how performance will be monitored and measured and instruments and tools for the performance monitoring are not used;</p> <p>m. Period between launch of "call for tenders" and the "deadline for the submission of tenders" doesn't allow sufficient time to submit a meaningful and complete tender;</p> <p>n. Risk that the draft contract has not been carefully verified as to whether it is consistent with the tender specifications (payment schedule, guarantees if necessary, duration, liquidated damages, intellectual property rights);</p> <p>o. Lack of full consistency between all three tender documents (tender specifications, draft contract, invitation to tender);</p> <p>p. Risk that before launching procurement, the legal base/financing decisions are no longer valid;</p> <p>q. Risk that clarifications requested by tenderers have not been handled in a complete, impartial and transparent fashion (same clarifications sent to all the tenderers at the same time i.e. through a call for tenders web page);</p> <p>r. Delays can occur which could conduct to extend deadlines;</p> <p>s. Lack of equal treatment of all the tenderers and existence of collusion between them (e.g. in case of site visits);</p> <p>t. Planning calendar</p>	<p>provide for specificities. But then there is no general practice at Agency level. The risk to put too much burden on the contractor by introducing additional liquidated damages or to foresee inadequate liquidated damages;</p> <p>k. Several actors are involved in the validation process (HoU operational, ACPC, coordinator, legal, ex-ante, FO, etc.);</p> <p>l. Usually the standard service contracts are templates from DG BUDG or from parent DGs. In some Units of Chafea, the TS are prepared by Chafea staff. Standard service contracts do not provide for specific cases. This point needs further analysis, to see if it is to be introduced in the TS or to include a special condition under the model contract. For BTSF it is included in the payment provisions;</p> <p>m. We respect the legal deadlines;</p> <p>n. Different quality checks mechanisms are in place: four eyes principle, ex-ante control and verification by the legal on specific aspects (IPR/liquidated damages, any special conditions);</p> <p>o. Different quality checks mechanisms are in place: four eyes principle, ex-ante control and verification by the legal on specific aspects (IPR/liquidated damages, any special conditions);</p> <p>p. In the launch file - PO note contains reference to the legal base;</p> <p>q. Specific requests clarifications sent to all FW Contractors at the same time. For open procedures, the publication of replies is done on e-tendering;</p> <p>r. Occasionally. We take a decision on the number of days to be extended on a case to case basis (e. g depending on the delay for the provision of translation);</p> <p>s. Unit's cupboard. This might need to be centralised (and locked);</p> <p>t. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>unavailable and cross-link it with grants and other activities could lead to bottlenecks;</p> <p>u. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes;</p> <p>v. Human factor & competencies, lack of knowledge of the basic rules;</p> <p>w. Transition to E-procurement could entail delays;</p> <p>x. Voluminous offers leading to higher risk in divulging confidential information;</p> <p>y. Misuse of contingency;</p>	<p>indicative planning of all operational units;</p> <p>u. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings;</p> <p>v. Trainings, mentoring;</p> <p>w. Pilot DG's have experienced first cycle of e-tendering;</p> <p>x. Risks are linked to voluminous tenders - Revised checklist / procedure - administrative part of the offer can be omitted from contract instead ref to Ares n° should be added- results in reduced volume of the contract;</p> <p>y. Rules and approval method for the use of contingency in the contract and tender specifications.</p>		
<p>Step 2: Evaluation of tenders</p> <p>a. The most economically advantageous offer not being selected, due to a biased or inaccurate evaluation process;</p> <p>b. members of the opening /evaluation committee are in situations of conflict of interest;</p> <p>c. Misrepresentations related to misappropriation of facts presented by the tenderers with their offers are not detected;</p> <p>d. Contracts are awarded to entities not having the necessary legal, technical, professional or financial capacities;</p> <p>e. Comments in the evaluation report on the technical quality of a tender do not adequately reflect the score for quality award criteria;</p> <p>f. There is a risk that the members of the opening committee will not be nominated before the deadline of the tender;</p> <p>g. There is a risk that tenders are not stored in a secure place.</p> <p>h. Modifications could have been made to the tender</p>	<p>Step 2: Evaluation of tenders</p> <p>a. The evaluation procedure is organised according to predefined rules, announced in the call for tender documentation. The substantial evaluation of tenders is conducted by an appointed evaluation committee. In addition, compliance with all legal and procedural requirements is verified by an independent Advisory Committee for Procurement and Contracts (ACPC). The evaluation committee issues a recommendation in the form of a signed evaluation report to the AO to award or not the contract. For contracts above the Directive thresholds, a standstill period applies that allows the interested parties to express any comments relating to the soundness of the procedure;</p> <p>b. The members of the opening and the evaluation committee are appointed by the AO; all of them are required to sign a declaration of non-conflict of interest and confidentiality</p> <p>c. In some cases, supporting documentation is requested together with the offer (CVs, activity reports, references, information on exclusion</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>after the agency received it;</p> <p>i. The risk is that the members of the evaluation committee haven't been formally appointed (compulsory for the contracts over €60,000);</p> <p>j. All the evaluators have not the necessary skills, experiences and qualifications. this could lead to a lack of fully understanding of the tender specifications, exclusions, selection and award criteria if they don't receive sufficient and relevant information about the tender procedure;</p> <p>k. Risk of lack of time by each evaluator to prepare for and carry out the evaluation;</p> <p>l. Risk that no declaration of absence of conflict of interest is signed before the opening of the tender;</p> <p>m. All tenderers would be in any exclusion situation or would not have access to the market;</p> <p>n. Risk that the tenderers have not the necessary financial capacity by checking external databases;</p> <p>o. Lack of organisation in the evaluation and risk that all practical aspects have not been considered;</p> <p>p. Risk that the evaluation report does not include all selection and award criteria;</p> <p>q. Non-respect of equal treatment of all tenders on the basis of the evaluation report because it is not based on a consensus of all members of the evaluation committee and is not drafted in a fully coherent way;</p> <p>r. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks;</p> <p>s. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes;</p> <p>t. Human factor &</p>	<p>criteria); the Agency performs checks concerning the accurateness of the information provided with the administrative part of the tender and requires additional information in case this is considered necessary;</p> <p>d. Each call for tender includes selection criteria requiring the minimum legal and regulatory (when applicable), technical, professional and financial capacity; those criteria are set in proportionality with the requested service.</p> <p>e. Evaluation committees receive clear guidelines for carrying out the evaluation and drafting of evaluation reports. The comments of the evaluation report are drafted in a collaborative effort and represent the consensus opinion of the evaluation committee;</p> <p>f. Official appointment from the Authorising officer;</p> <p>g. Unit's cupboard. However this might need to be centralised (and locked);</p> <p>h. No risk. Offers are signed, dated & recorded by opening committee;</p> <p>i. Formal appointment from the Authorising officer;</p> <p>j. No risk. Evaluators are highly qualified;</p> <p>k. sufficient time has been scheduled for each evaluator to prepare for and carry out the evaluation</p> <p>l. Template included within the official appointment from the Authorising officer;</p> <p>m. This is verified during the evaluation process. Tenderers should submit an original declaration of non-exclusion. In addition to this, before the signature of the contract supporting documents are requested and verified. As an agency we can accept tenders coming from a limited number of countries-we are not covered by the GPA (WTO agreement on government procurement;</p> <p>n. Last closed annual accounts are requested as evidence;</p> <p>o. We have a guide for evaluation, published on Chafea intranet;</p> <p>p. Before starting the evaluation meeting all evaluators are briefed about the evaluation process, including evaluation criteria.</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>competencies, lack of knowledge of the basic rules;</p> <p>u. Transition to E-procurement could entail delays;</p> <p>v. Misuse of contingency.</p>	<p>No risk</p> <p>q. Conclusions are reached through consensus. There is no voting in procurement.</p> <p>r. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units</p> <p>s. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings;</p> <p>t. Trainings, mentoring;</p> <p>u. Pilot DG's have experienced first cycle of E-tendering;</p> <p>v. Rules and approval method for the use of contingency in the contract and tender specifications.</p>		
<p>Step 3: Award of contract</p> <p>a. Lack of necessary documentary evidence provided by the successful tenderer for exclusion criteria;</p> <p>b. Risk that the latest model of the contract available on BudgWeb is not used and risk of modification of the general conditions;</p> <p>c. The agency has to define a procedure for cases when diverging opinions occur;</p> <p>d. All successful and unsuccessful tenderers have not been simultaneously informed about the award decision by arguing the grounds on which the decision was taken;</p> <p>e. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks;</p> <p>f. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes;</p> <p>g. Human factor &</p>	<p>Step 3: Award of contract</p> <p>a. The letter informing about the positive results of the evaluation requests the submission of the necessary documents to verify that the tenderer is not in a exclusion situation. These documents are verified prior to the signature of the contract;</p> <p>b. We always use Budgweb models as a basis for adapting them to Chafea. Only special conditions are modified;</p> <p>c. This rarely happens. However, there is a limited risk. The procedure for such a case does not exist in Chafea;</p> <p>d. No risk. All letters are sent simultaneously (via email and post);</p> <p>e. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of a macro planning tables, covering the procurement indicative planning of all operational units;</p> <p>f. Coordination meetings regarding planning of tenders, summary tables by</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>competencies, lack of knowledge of the basic rules;</p> <p>h. Transition to E-procurement could entail delays;</p> <p>i. Misuse of contingency.</p> <p>Step 4: Budgetary commitment</p> <p>a. Commitment file needs to be complete in order to insure delays are short (Award decision is sometimes circulating in parallel, Annex of A.W.P referring to service, specify location of final offer in common drive to prepare draft contract);</p> <p>b. Lack of accuracy during the input in the ABAC system (e.g. the legal entities and bank account of the successful tenderers, address, bank account, currency used, sub delegation, etc.); procurement procedure)</p> <p>c. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks;</p> <p>d. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes;</p> <p>e. Human factor & competencies, lack of knowledge of the basic rules;</p> <p>f. Transition to E-procurement could entail delays;</p> <p>g. Lack of commitment information to insure use of the right budgetary lines;</p> <p>h. Misuse of contingency.</p>	<p>units including needs by support services. Under preparation the publication of a macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings;</p> <p>g. Trainings, mentoring</p> <p>h. Pilot DG's have experienced first cycle of E-tendering;</p> <p>i. Rules and approval method for the use of contingency in the contract and tender specifications.</p> <p>Step 4: Budgetary commitment</p> <p>a. Standardised procedure for preparing commitment files: Use of checklists, separators on intranet help reminding which documents are needed. Simplified (combined)WF to reduce time and looping) award/commitment/sending out contract;</p> <p>b. No risk except for FWC. Creation or search in ABAC done early in the procedure but for FWC the creation is only done at the level of the first specific contracts. Risk of delays -mitigation measure to check at the level of the FWC award;</p> <p>c. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of a macro planning tables, covering the procurement indicative planning of all operational units;</p> <p>d. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of a macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings;</p> <p>e. Trainings, mentoring;</p> <p>f. Pilot DG's have experienced first cycle of E-tendering</p> <p>g. Mandatory fields in Note to AO, include respective page of AWP and objective;</p> <p>h. Rules and approval method for the use of contingency in the contract and tender specifications.</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>Step 5: Legal commitment</p> <p>a. Risk of incoherence between the contract match and the draft contract and tender specifications (e.g. the contract contains all required technical specifications, quality and performance standards, deliverables, deadlines, etc.);</p> <p>b. Lack of accuracy by forgetting contract number, contractor's information (person authorized to sign, bank account, etc.), annexes, etc.;</p> <p>c. the wording of the contract cannot be changed by the contractor;</p> <p>d. Risk that the contract is not signed by authorised persons (contractor and Chafea AO);</p> <p>e. The final contract is not appropriately registered in ""ABAC Contract"" and doesn't match with the contract hardcopy files;</p> <p>f. Risk that the hardcopy files are not safely stored and protected against unauthorized access</p> <p>g. Risk that the guarantor is not solvent, suitable and trustworthy?</p> <p>h. The complete ten-day standstill period starting on the day following the electronic notification of the award to all tenderers has not elapsed before signing the contract;</p> <p>i. If applicable, lack of publication of the contract award notice;</p> <p>j. Risk that the original contract is not safely stored in order to protect it against theft, unauthorised access, fire and destruction;</p> <p>k. Lack of properly archiving in the procurement file</p> <p>l. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks;</p> <p>m. Setting of clear priorities to teams: potential</p>	<p>Step 5: Legal commitment</p> <p>a. The final version of the contract must be the same as the one published on the website (only info such as name of the tenderer, administrative info is added). Annexes to the contract are the tender specifications, FAQs and tender. Risks are linked to voluminous tenders - Revised checklist / procedure - administrative part of the offer can be omitted from contract instead ref to Ares n° should be added- results in reduced volume of the contract;</p> <p>b. Normally yes, but there is a risk of mistake as it is done manually. Mitigation: 4 eyes principle and ex-ante control;</p> <p>c. Low risk. Original contract initialled by Project officer;</p> <p>d. Authorising officer or delegated officers (following delegation act) - AOD/AOSD</p> <p>e. No risk; Within the tasks in Ares & checklists/procedures;</p> <p>f. Unit's cupboard. However this might need to be centralised (and locked). Once completion of process, files are locked in Chafea archive;</p> <p>g. No risk; validation of entity in ABAC and financial capacity assessed when required;</p> <p>h. There is a certain risk to allow signature before the standstill period elapsed. Mitigation: monitoring of deadlines; keep the file with the responsible unit the standstill period elapses and then give it for signature to the AO, Checklist includes description of standstill process monitoring and in the relevant ARES workflow tasks;</p> <p>i. There is a risk of delay due to workload of operational staff;</p> <p>j. Low risk; original scanned in Ares and uploaded in Chafea's Intranet; Original stored in archive room</p> <p>k. No risk; within the tasks in Ares. Physical stored in Chafea archives;</p> <p>l. Coordination meetings regarding planning of tenders, summary tables by units including needs by</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>conflicting priorities between administration and operational units might delay processes;</p> <p>n. Human factor & competencies, lack of knowledge of the basic rules;</p> <p>o. Transition to E-procurement could entail delays;</p> <p>p. Misuse of contingency.</p>	<p>support services. Under preparation the publication of a macro planning tables, covering the procurement indicative planning of all operational units;</p> <p>m. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of a macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings;</p> <p>n. Trainings, mentoring;</p> <p>o. Pilot DG's have experienced first cycle of e-tendering;</p> <p>p. Rules and approval method for the use of contingency in the contract and tender specifications.</p>		

Stage 3: Supervisory measures during contract implementation

Main control objectives: Ensure that contract execution follows the provisions of the signed contracts (legality and regularity); ensure that payments are executed in compliance with the applicable rules; any weakness in the procedure or attempt [of?] document misrepresentation is detected and corrected (legality and regularity& fraud prevention).

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost effectiveness indicators (three E's)
<p>Step 1: Monitoring</p> <p>a. Lack of necessary skills, experience and qualifications of the persons performing the monitoring of the supply services;</p> <p>b. Risk that the monitoring is not based on contractual terms and conditions (deadlines, quality requirements, contractually agreed monitoring tools, etc.);</p> <p>c. If applicable, risk that any subsequent contract amendments have not been duly justified, authorised, registered and documented;</p> <p>d. There is a risk of misinterpretation of the contract by the operational</p>	<p>Step 1 : Monitoring</p> <p>a. <i>Risk related to long absences of staff (illness, accident), heavy workload of back up - simplification of procedures and paperless files could help;</i></p> <p>b. The monitoring is based on contractual terms and conditions (deadlines, quality requirements, contractually agreed monitoring tools, etc.);</p> <p>c. All amendments are duly discussed, justified, registered and documented;</p> <p>d. The reporting requirements are described in the TS,</p>	<p>100% of the deliverables and payments linked to services contracts are verified before the payment authorisation.</p>	<p><i>Effectiveness:</i> % of errors prevented (amount of errors/irregularities averted over total payments) Number of control failures; Number/amount of liquidated damages.</p> <p><i>Efficiency:</i> Average cost per open project. % cost over annual amount disbursed; Time-to-payment; Late interest payment and damages paid by the Agency.</p> <p><i>Economy:</i> Costs: FTE costs of staff involved+ cost for the contracts for the year.</p>

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost effectiveness indicators (three E's)
<p>staff particularly in relation to reduced payments and penalties. There is a risk of legal proceedings by the contractor if the imposed penalties are not accepted;</p> <p>e. There is a risk that internal progress reports are not established on a regular basis (especially for long lasting procurement projects);</p> <p>f. there is a risk that the performance and progress made on a regular basis are not monitored;</p> <p>g. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks;</p> <p>h. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes;</p> <p>i. Human factor & competencies, lack of knowledge of the basic rules</p> <p>j. Transition to e-procurement could entail delays;</p> <p>k. Misuse of contingency;</p> <p>l. Errors, irregularities or fraud are not prevented, detected or corrected by ex- ante control prior to payment;</p> <p>m. Delays in the execution of task.</p>	<p>which are bound as part of the contract; Reports are linked to payments and meetings with Chafea linked to implementation of the SC. In case of poor performance reduced payments and penalties have been applied (PHP);</p> <p>e. Following the tender specifications requirements;</p> <p>f. But again, this is defined in the tender specifications;</p> <p>g. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units;</p> <p>h. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings</p> <p>i. Trainings, mentoring</p> <p>j. Pilot DG's have experienced first cycle of E-tendering</p> <p>k. Rules and approval method for the use of contingency in the contract and tender specifications</p> <p>l. Importance is attributed to the assessment of the deliverables so that the contractor is only paid the full price if what is agreed was fully executed.</p> <p>m. Timetables including due dates for deliverables are defined in the Tender Specifications. If parent DGs are involved in approval of deliverables, they are made aware of any</p>		<p>Benefits: amount of overpayments prevented by the controls; amounts detected and associated with fraud and error/ systematic weaknesses corrected</p>

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost effectiveness indicators (three E's)
<p>Step 2 : Approval of deliverables or supplies</p> <p>a. Lack of checks to know if supplies/ documents received are appropriately registered, safeguarded and correspond to relevant contractual terms and conditions (e.g. quantity, timing, criteria for measuring quality, etc.);</p> <p>b. There is a risk that the services/ supplies/ work provided have not been approved by the authorised person;</p> <p>c. Risk that the invoice has not been timely registered in ABAC-Invoice and in accordance with the Commission's Accounting Officer's instructions;</p> <p>d. Risk that the invoice is not legally correct as per contractual provisions and with VAT;</p> <p>e. Invoices received from the contractor do not reconcile with the contract (e.g. contractor, bank account, deliverables, etc.);</p> <p>f. Risk that all required supporting documents have not been provided for approval (e.g. the technical report);</p> <p>g. risk that the invoice is approved and paid twice or lost invoices;</p> <p>h. Lack of match the contract hardcopy files with information in ABAC;</p> <p>i. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks;</p> <p>j. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes;</p> <p>k. Human factor & competencies, lack of knowledge of the basic rules;</p> <p>l. Transition to E-procurement could entail delays;</p> <p>m. Misuse of contingency.</p>	<p>time sensitive input requirements.</p> <p>Step 2: Approval of deliverables or supplies</p> <p>a. No risk for registration. For safeguarding if Ares registration is insufficient, Units cupboard. However, this might need to be centralised (and locked). Electronic versions are also requested. Timing for delivery is sometimes not respected - liquidated damages not often applied;</p> <p>b. clear procedures and financial workflows;</p> <p>c. clear procedures and financial workflows;</p> <p>d. No risk - 4 eye principle;</p> <p>e. No risk - 4 eye principle;</p> <p>f. No risk - 4 eye principle;</p> <p>g. No risk - 4 eye principle;</p> <p>h. No risk; within the tasks in Ares;</p> <p>i. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units;</p> <p>j. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings;</p> <p>k. Trainings, mentoring;</p> <p>l. Pilot DG's have experienced first cycle of E-tendering;</p> <p>m. Rules and approval method for the use of contingency in the contract and tender</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost effectiveness indicators (three E's)
<p>Step 3: Interim Payment</p> <ul style="list-style-type: none"> a. Lack of checks to ensure that the services/supplies/work delivered, the technical reports and invoices are duly approved; b. Risk of delays in each payment on the basis of the legal and contractual requirements; c. Risk that ABAC has not been updated with complete and accurate information; d. Lack of match the contract hardcopy files with information in ABAC; e. Risk that payment time limits have not been respected; f. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks; g. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes; h. Human factor & competencies, lack of knowledge of the basic rules; i. Transition to E-procurement could entail delays; j. Misuse of contingency. <p>Step 4: Final Payment</p> <ul style="list-style-type: none"> a. Risk that deliverables have not been provided according to the contract which lead to a final payment too high; b. Planning calendar unavailable and cross-link it with grants and other activities could lead 	<p>specifications.</p> <p>Step 3 : Interim Payment</p> <ul style="list-style-type: none"> a. No risk; 4 eye principle; b. We try to respect the legal deadlines, although in some occasions delays occur. Monitoring table is in place; c. No risk; 4 eye principle; d. No risk; 4 eye principle; e. Target time monitoring table in place; f. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units; g. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings; h. Trainings, mentoring; i. Pilot DG's have experienced first cycle of E-tendering; j. Rules and approval method for the use of contingency in the contract and tender specifications. <p>Step 4 : Final Payment</p> <ul style="list-style-type: none"> a. We apply penalties in rare occasions where the operational unit identifies poor execution and lack of delivery; a reflection must be done in order to increase legal certainty when applying reduction of 		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost effectiveness indicators (three E's)
<p>to bottlenecks;</p> <p>c. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes;</p> <p>d. Human factor & competencies, lack of knowledge of the basic rules;</p> <p>e. Transition to E-procurement could entail delays</p> <p>f. Misuse of contingency;</p> <p>g. The contractually foreseen services are not or only partially provided; the amount paid exceeds the contractually foreseen maximum amount.</p>	<p>payment;</p> <p>b. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units;</p> <p>c. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings;</p> <p>d. Trainings, mentoring;</p> <p>e. Pilot DG's have experienced first cycle of E-tendering;</p> <p>f. Rules and approval method for the use of contingency in the contract and tender specifications;</p> <p>g. The execution of each contract is monitored from the technical point of view; deliverables clearly defined in the contract are due within predefined deadlines; in case of late delivery or delivery of poor results the agency imposes contractual penalties provided for in the contract (e.g. proportionate reduction of the agreed price, liquidated damages) and may also terminate a contract; all deliverables are assessed for their conformity with the tender specifications before a payment is authorised (payments are linked with the execution of deliverables).</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost effectiveness indicators (three E's)
<p>Step 5: De-commitment</p> <ul style="list-style-type: none"> a. Risk that unused balances of the budgetary commitment are not de-committed before the end of the financial year; b. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks; c. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes; d. Human factor & competencies, lack of knowledge of the basic rules; e. Transition to E-procurement could entail delays; f. Misuse of contingency. 	<p>Step 5 : De-commitment</p> <ul style="list-style-type: none"> a. Internal rules on intranet for de-commitments not always followed and occur after internal deadlines resulting to open/sleeping commitments; b. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units; c. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of a macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings; d. Trainings, mentoring; e. Pilot DG's have experienced first cycle of e-tendering; f. Rules and approval method for the use of contingency in the contract and tender specifications. 		
<p>Step 6: Feedback</p> <ul style="list-style-type: none"> a. Risk that the services/ supplies/work provided by the contractor have not been used in an optimal way; b. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks; c. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes; d. Human factor & competencies, lack of knowledge of the basic rules; 	<p>Step 6: Feedback</p> <ul style="list-style-type: none"> a. Our main counterpart is the Commission, all reports/ deliverables are duly shared with them; b. Revisions of EU financial rules are duly examined and implemented (Trainings, DG BUDG guides, mentoring); c. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, 		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost effectiveness indicators (three E's)
<ul style="list-style-type: none"> e. Transition to e-procurement could entail delays; f. Misuse of contingency. 	<ul style="list-style-type: none"> d. covering the procurement indicative planning of all operational units; Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings; e. Trainings, mentoring; f. Pilot DG's have experienced first cycle of E-tendering; g. Rules and approval method for the use of contingency in the contract and tender specifications. 		
			<p>Economy overall PROCUREMENT</p> <ul style="list-style-type: none"> a. Cost-effectiveness in % of costs of FTEs involved in controls vs the total funds managed (evolution over time); b. Cost/benefit ratio regarding controls on payments, (evolution over time).

ANNEX 6: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission N/A

ANNEX 7: EAMR of the Union Delegations N/A

ANNEX 8: Decentralised agencies and/or EU Trust Funds N/A

ANNEX 9: Evaluations and other studies finalised or cancelled during the year N/A

ANNEX 10: Specific annexes related to "Financial Management"

10.1 FINANCIAL MANAGEMENT AND INTERNAL CONTROL: REPORTING DOCUMENTS

Assurance is an objective examination of evidence for the purpose of providing an assessment of the effectiveness of risk management, control and governance processes. This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. The results are explicitly documented and reported to the Director. The list of reported information is given in. These are:

- the periodic (quarterly) reports to the Steering Committee on the progress in the implementation of the Agency annual work programme and the delegated operational programmes and a semi-annual special report to the Steering Committee on the state of the internal control;
- the regular managerial supervision reports related to all aspects of the Agency's functioning (e.g. HR, budget, ex-ante control, ex-post control, IT, communication etc,) , with the special focus on risky areas;
- AOSD reports submitted by the Heads of Units to the Authorising officer;
- the results of internal control framework assessment;
- the results of risk management;
- the reports on recorded exceptions, non-compliance events and any cases of "confirmation of instructions" (Art 92.3 FR);
- the reports of the advisory committee on public procurement (ACPC) and on ex-ante financial verification;
- the reports of the ex-post audit;
- the reports on anti-fraud strategy implementation and fraud prevention and detection;
- the limited Assurance conclusion on the state of control, and the other observations and recommendations reported by the Internal Audit Service (IAS);
- the observations and the recommendations reported by the European Court of Auditors (ECA);
- other reports requested according to the identified needs.

10.2 LEGALITY AND REGULARITY OF THE TRANSACTIONS: ADDITIONAL INDICATORS

Along with the mandatory indicators, the following measurements are used to assess the legality and regularity of the procedures conducted within the management of procurement and grants under the delegated programmes.

Procurement management

Stages of Internal Control Procedure ³¹	2015	2016	2017	2018	2019
A. Planning and definition of needs					
Number of procurement procedures that were cancelled during the year	HP: 2 out of 24	HP: 0 out of 37	HP: 1 out of 24	HP: 0 out of 20	HP: 3 ³²
	CP: 0	CP: 0	CP: 2	CP: 2	CP: 0
	BTSF: 0	BTSF: 0	BTSF: 0	BTSF: 0	BTSF: 0
		AGRI: 0	AGRI: 3 ³³	AGRI: 0	AGRI: 0
Number of contracts that were discontinued due to lack of use	HP: 0	HP: 0	HP: 0	HP: 0	HP: 0
	CP: 0	CP: 0	CP: 0	CP: 0	CP: 0
	BTSF: 0	BTSF: 0	BTSF: 0	BTSF: 0	BTSF: 0
		AGRI: 0	AGRI: 0	AGRI: 0	AGRI: 0
B. Evaluation of the offers submitted and award					
Number of open procurement procedures where only one or no offers received	HP: 2	HP: 0	HP: 1	HP: 2	HP: 2
	CP: 0	CP: 0	CP: 2	CP: 0	CP: 2 ³⁴
	BTSF: 0	BTSF: 0	BTSF: 0	BTSF: 4 ³⁵	BTSF: 0
		AGRI: 3	AGRI: 1 ³⁶	AGRI: 0	AGRI: 0
Number of complaints or litigation cases filed following the communication of the evaluation's results.	HP: 0	HP: 0	HP: 0	HP: 0	HP: 0
	CP: 0	CP: 0	CP: 0	CP: 1	CP: 0
	BTSF: 0	BTSF: 0	BTSF: 0	BTSF: 0	BTSF: 0
		AGRI: 0	AGRI: 0	AGRI: 0	AGRI: 0
Number of negative opinions issued by the Advisory Committee for Procurement Contracts	HP: 0	HP: 0	HP: 0	HP: 0	HP: 0
	CP: 0	CP: 0	CP: 0	CP: 0	CP: 0
	BTSF: 0	BTSF: 0	BTSF: 1	BTSF: 0	BTSF: 0
		AGRI: n/a ³⁷	AGRI: 0	AGRI: 0	AGRI: 0
Number of incompliances with applicable rules/guidelines that necessitated an exception to be registered (ICS8)	HP: 0	HP: 0	HP: 0	HP: 0	HP: 0
	CP: 2	CP: 0	CP: 0	CP: 0	CP: 0
	BTSF: 0	BTSF: 0	BTSF: 1	BTSF: 0	BTSF: 0
		AGRI: 0	AGRI: 0	AGRI: 2 ³⁸	AGRI: 0
C. Supervisory measures during contract implementation					
% of service contracts executed as provided within the applicable contractual terms without the imposition of penalties/termination (contracts with penalties/termination vs. open contracts)	HP: 100%	HP: 100%	HP: 100%	HP: 100%	HP: 100%
	CP: 100%	CP: 100%	CP: 100%	CP: 100%	CP: 100%
	BTSF: 100%	BTSF: 100%	BTSF: 100%	BTSF: 100%	BTSF: 100%
		AGRI: 0	AGRI: 80%	AGRI: 100%	AGRI: 100%
Number of non-compliances with applicable rules/contractual provisions that	HP: 0	HP: 0	HP: 0	HP: 0	HP: 0
	CP: 0	CP: 0	CP: 0	CP: 2 ³⁹	CP: 0
	BTSF: 1	BTSF: 0	BTSF: 0	BTSF: 0	BTSF: 0
		AGRI: 0	AGRI: 1	AGRI: 0	AGRI: 0

³¹ PHP stands for Public Health Programme, CP stands for Consumer Programme; no grants are awarded under the BTSF Initiative.

³² 2 planned procedures were cancelled, one will be implemented by DG SANTE.

³³ This concerns requests for specific services where adequate offers were not received from the FW contractor and requests for services (RfS) had to be re-launched.

³⁴ 1 received in 2019 for implementation of 2018 budget, 1 received in 2020 for implementation of 2019 budget.

³⁵ This concerns three calls for tenders with one offer and one without offer, the call was re-launched.

³⁶ This number does not include RfS in the context of FWC, only open calls.

³⁷ No open procurement procedures under Promotion of Agricultural products programme in 2016.

³⁸ Two events of non-compliance concern a posteriori budgetary commitments for activities in third countries under AGRI Promotion.

³⁹ Deviation from rules on roles in financial management systems.

necessitated an exception/ non-compliance event to be registered (ICS 8)					
Number/amount of liquidated damages	HP: 0	HP: 0	HP: 0	HP: 0	HP: 0
	CP: 0	CP: 0	CP: 0	CP: 0	CP: 0
	BTSF: 0	BTSF: 0	BTSF: 0	BTSF: 0	BTSF: 0
		AGRI: n/a	AGRI: 0	AGRI: 0	AGRI: 0
Cases associated with errors detected related to fraud, irregularities, errors, etc.	HP: 0	HP: 0	HP: 0	HP: 1	HP: 0
	CP: 0	CP: 0	CP: 0	CP: 2	CP: 0
	BTSF: 0	BTSF: 0	BTSF: 0	BTSF: 1	BTSF: 0
		AGRI: 0	AGRI: 0	AGRI: 0	AGRI: 0

According to the Commission annual Implementing Decisions adopted in the framework of the execution of the multiannual Health and Consumers programmes (2014-2020) and the policy for Promotion of agricultural products, the Agency is responsible for preparation and conducting of procurement procedures in accordance with the provisions of Title VII of the EU Financial Regulation. Procurement contracts are awarded to the most economically advantageous tenders determined on the basis of the best 'best Price/Quality ratio' award method taking into account the offered price and the assessment of pre-determined quality criteria. The Agency is responsible for ensuring transparency, proportionality, equal treatment and non-discrimination of the economic operators participating in tenders, as well as the principle of a sound financial management. The compliance with the regulatory provisions prevents risks of litigations. The choice of the contractor offering the best price/quality ratio ensures that the Agency will obtain the requested services in conformity with the agreed terms (quality and timing) and at a favourable price. Both prior to their launch and afterwards, all stages of each procurement procedure irrespective of its value are verified by the legal department and subsequently by the financial verifying officer and pass all the stages of the general ex-ante control.

The contract implementation stage encompasses controls ensuring that what has been contracted is actually delivered. The duration of service contracts may vary from a number of months to two years. Bearing in mind the nature of the services (mainly comprising studies supporting the policy making of the Agency's parent Directorate General, or organisation of agri promotion events in non-EU countries or training services) it is of outmost importance to ensure quality and timeliness of the contracted deliverables. Thus, the Agency is responsible to secure that the contractors follow the accepted working methodology so as to ensure that deliverables satisfy the quality standards set in the contract. 100% of payment transactions related to procurement are subject to thorough verification, both operational and financial. Acceptance of all the contract outputs is a pre-condition for the invoice becoming payable and for the payment being executed in full respect of the contractual terms.

Grants management

Stages of Internal Control Procedure	2015	2016	2017	2018	2019
A. Programming and planning					
% of calls successfully concluded (to The number of calls foreseen in the annual work programme)	HP: 100%	HP: 100%	HP: 90% ⁴⁰	HP: 100%	HP: 100%
	CP: 75%	CP: 100%	CP: 100%	CP: 75% ⁴¹	CP: 100%
		AGRI: 100%	AGRI: 100%	AGRI: 100%	AGRI: 100%

⁴⁰ On call for Specific grant agreements (SGA), following the decision by Chafea on the award of Framework Partnership Agreements (FPA) for operating grants to NGOs, an Article 22 procedure was launched by one of the unsuccessful applicants. A preliminary assessment indicates that there might be grounds to revise part of the process of FPA award, therefore the call for SGAs was not concluded in 2017.

⁴¹ Evaluation of proposals and conclusion of ADR grant agreements in January 2019.

Number of proposals received	HP: 91	HP: 90	HP: 89	HP: 65	HP: 47
	CP: 35	CP: 32	CP: 38 ⁴²	CP: 50 ⁴³	CP: 118 ⁴⁴
		AGRI: 226	AGRI: 224	AGRI: 182	AGRI : 144
% of Budget amount of the work programme awarded ⁴⁵	HP: 100%	HP: 100%	HP: 87%	HP: 96%	HP: 105% ⁴⁶
	PHP: 100	PHP: 100%			
	CP: 89%	CP: 100%	CP: 89% ⁴⁷	CP: 91%	100%
		AGRI: 100%	AGRI: 100%	AGRI: 92%	AGRI : 81%
Complaints submitted by applicants	HP: 4	HP: 3	HP: 4	HP: 1	HP: 0
		CP: 0	CP: 0	CP: 0	CP: 0
		AGRI: 6	AGRI: 2	AGRI: 2 ⁴⁸	AGRI : 0
B. Evaluation, Ranking and Selection of Proposals (Award)					
Number of experts excluded as being in a conflict of Interest Situation	HP: 1	HP: 0	HP: 0	HP: 0	HP: 0
	CP: N/A	CP: N/A	CP: N/A	CP: N/A	CP: N/A
		AGRI: 6	AGRI: 5	AGRI: 6	AGRI : 3
Number of applicants that successfully challenged the results of the evaluation/ number of litigation procedures initiated		HP: 0	HP: 0	HP: 1 ⁴⁹	HP: 0
		CP: 0	CP: 0	CP: 0	CP: 0
		AGRI: 0	AGRI: 0	AGRI: 0	AGRI: 0
Number of incompliances with applicable rules/guidelines that necessitated an exception to be registered (ICS8)	0	HP: 0	HP: 1	HP: 0	HP: 0
		CP: 0	CP: 0	CP: 0	CP: 0
		AGRI: 0	AGRI: 0	AGRI: 0	AGRI: 0
C. Contracting phase: transformation of the awarded proposals to grant agreements					
% of the awarded grants that led to the signature of grant agreements	HP: 69%	HP: 100%	HP: 100%	HP: 100%	HP: 100%
	CP: 100%	CP: 100%	CP: 100%	CP: 100%	CP: 100%
		AGRI: 100%	AGRI: 100%	AGRI: 95%	AGRI: 100%
D. Monitoring of execution of the grant agreements					
Budget amount of errors detected over authorised payments (% of cost rejected over those claimed)	HP: 6,4%	HP: 6,45%	HP: 5,7%	HP: 0,16% ⁵⁰	HP: 0
	CP: 5,3%	CP: 0,65%	CP: 1,9%	CP: 0,054%	CP: 0%
		AGRI: n/a	AGRI: n/a	AGRI: 0%	AGRI: 0% ⁵¹
Number of penalties ⁵² imposed	HP: 0	HP: 1	HP: 0	HP: 0	HP: 0
	CP: 0	CP: 0	CP: 0	CP: 0	CP: 0
		AGRI: n/a	AGRI: n/a	AGRI: 0	AGRI: 0
E. ex post control implementation and follow up					
Corrective capacity	2.8%	3.6%	1.1 %	0.2 %	0.4%

⁴² Exchange of officials not included.

⁴³ 121 including Exchange of Officials applications.

⁴⁴ Including Exchange of Officials applications.

⁴⁵ The percentage is calculated on the basis of the credits available with the launch of the call against the amount finally awarded.

⁴⁶ The 20% flexibility rule was used to increase the funding finally awarded to the operating grants. Other grants were awarded amounts equal to the available credits in the initial call or invitation (for direct grant agreements with international organisations).

⁴⁷ This is due to the fact that for one of the call, proposals have been evaluated in January 2018.

⁴⁸ Requests for evaluation review addressed to the Agency following communication of evaluation results.

⁴⁹ Review request received on 5/12/2017, decision taken on April 2018.

⁵⁰ Data without ERNs; based on rejections by FO, 20% transfer rule not taken into consideration.

⁵¹ Data from management system (Compass). This indicator suffers limitations as the working process for the responsible operational unit foresees that the payment is suspended in the management system when some costs are ineligible and a request to correct the cost statement is sent to the beneficiary. The stated 0% cost rejection does not take into account the results of this control activity.

⁵² The term 'penalties' refers to reduction of the EC contribution because the action was poorly, partially or not timely implemented.

10.3 DISCLOSURE OF SPECIFIC INFORMATION AS REQUESTED BY FINANCIAL REGULATION (FR)

The 2018 Financial Regulation introduced some additional AAR reporting requirements. Namely:

- Any cases of 'confirmation of instructions' (new FR art 92.3): no cases to report.
- Cases of financing not linked to costs (new FR art 125.3): no cases to report.
- Financial Framework Partnerships >4 years (new FR art 130.4): no cases to report.
- Cases of flat rates >7% for indirect costs (new FR art 181.6); as decided by reasoned Commission Decisions: no cases to report.
- Cases of "Derogations from the principle of non-retroactivity [of grants] pursuant to Art 193 FR" (new FR art 193.2); the acceptance of costs incurred before the project grant application was submitted: no cases to report.

10.4 CORRECTIVE CAPACITY: HISTORIC AVERAGE

The table below reports the 7-year historic average of average corrections for operational expenses⁵³.

Year	Pay accepted amount (EUR)	Total recoveries (EUR)	Average correction
2012	66,649,883.27	3,030,270.61	4.5 %
2013	64,405,387.87	913,463.48	1.4 %
2014	61,272,489.18	3,735,254.61	6.1 %
2015	66,257,143.19	1,831,200.60	2.8 %
2016	80 726,153.04	2,880,634.73	3.6 %
2017	80,659,383.10	895,679.99	1.1 %
2018	98,984,238.76	153,747.78	0.2 %
2019	115,197,356.45	431.936,61	0.4 %
			Historic average: 2.2 %

⁵³ Data provided by DGBUDG.

10.5 "Table Y" – OVERVIEW OF THE ESTIMATED COST OF CONTROLS

GRANTS					
Ex ante controls		Ex post controls		Total estimated cost of controls in EUR	Ratio in percentage (Total cost of controls out of amounts managed)
Total in EUR	Ratio in percentage (Total ex ante controls in EUR out of amounts managed)	Total in EUR	Ratio in percentage (Total ex post controls in EUR out of total value verified and/or audited in EUR)		
3,404,846	1.69 %	175,266	1.65 %	3,580,112	1.78 %
PROCUREMENT					
Ex ante controls		Ex post controls		Total estimated cost of controls in EUR	Ratio in percentage (Total cost of controls out of amounts managed)
Total in EUR	Ratio in percentage (Total ex ante controls in EUR out of amounts managed in EUR)	Total in EUR	Ratio in percentage (Total ex post controls in EUR out of total value verified and/or audited in EUR)		
2,881,572	2.96 %	n/a	n/a	2,881,572	2.96 %
OVERALL ESTIMATED COST OF CONTROLS					
Ex ante controls		Ex post controls		Total estimated cost of controls in EUR	Ratio in percentage (total cost of controls over funds managed)
Total in EUR	Ratio in percentage (Total ex ante controls in EUR out of amounts managed in EUR)	Total in EUR	Ratio in percentage (Total ex post controls in EUR out of total value verified and/or audited in EUR)		
6,286,418	2.10 %	175,266	1.65 %	6,461,684	2.16 %

ANNEX 11: Specific annexes related to "Assessment of the effectiveness of the internal control systems"

DETAILS ON THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEM

Risk management

Risk Management constitutes a component of the agency internal control framework. To ensure readiness to react to new or changed risks and threats, risk management is a continuous exercise. The units are strongly encouraged to regularly assess their risks and notably when major changes to policies and/or procedures occur. At least twice a year risk management is a point on the agenda of management meetings. This not only enables management to monitor how risks are managed and to react to change in exposure where appropriate but also foster a culture of incorporating risk management into day-to-day operations. A balanced approach is applied taking into account the risks already identified, the state of internal controls and managerial supervision and the time investment needed for various types of risk assessment.

The cross-cutting risk assessment exercise is conducted at least once a year, in October, as a part of the Annual Work Programme process and whenever management considers it necessary (typically in the event of major modifications to the Agency's activities occurring during the year). In 2019, two risks assessments of this kind were conducted at the agency level: a mid-term risk review in May, targeted on the potential risk of omissions in archiving and retrieving procurement documents and the annual risk review covering all the components of the internal control framework. The mid-term review did not detect any risks of the significance enough to be put onto the agency risk register.

During the comprehensive annual risk assessment, of the seven risks specified in 2018 for 2019 two were closed, five were kept in the register (two of them merged because of their similar nature and characteristics), one new risk related to preparedness to forthcoming changes was added to be tackled in the coming year. None of the risks was classified as critical or high.

A risk management action plan was drawn-up in correspondence to the principles of being realistic and taking into account cost/benefit aspects in order to avoid disproportionate control measures. Processes are in place to follow that actions are implemented according to the plan and continue to be relevant.

Exceptions and non-compliance

In the context of the risk management, the exception and non-compliance register is maintained. In 2019, 12 cases of exception and non-compliance were reported and recorded in the Register of exceptions and non-compliance events. The events logged in the register are, by their nature, not only deviations from regulatory or contractual provisions but also deviations from the rules and practices that Chafea set internally in the framework of the control strategy implementation.

A considerable part (over 50%) of the events were caused by human errors (resulting from insufficient awareness), as well as by the omissions on the

counterpart DGs/services' side.

During the year, further measures were taken to combat potential causes of non-compliances of larger significance. As a result, no cases of late amendments that were typical for the previous years happened in 2019.

The main omissions in 2019 were associated with weak monitoring of two budget items/invoices from the administrative budget. Countermeasures were taken: development of a comprehensive structured manual of all existing procedures and a closer monitoring of the administrative budget by a new budget officer.

In terms of safeguarding EU assets, no information on any financial losses or other material impact caused by the above exception/non-compliance events has reached Chafea until now. Neither any fraudulent background of the events was identified.

ICF assessment

The objective of this assessment is to benchmark the state of the internal control with the characteristics of ICF principles and deficiencies detected during the previous year assessment exercise, in order to identify and assess possible internal control deficiencies that might affect the functioning of the agency and the achieving of the agency's objectives. At the same time, the measures planned to reduce / eliminate the identified deficiencies are reviewed to conclude on the degree of their implementation.

During the assessment, various sources are considered, the main of which is the analysis of the current state, with a reference to the assessment conducted in the previous period. This analysis is based on:

- Review of the actions planned to counteract the identified deficiencies;
- Review of indicators selected by Chafea and reviewed by DG BUDG by the management and internal control network members in the units. In terms of indicators no significant gaps were revealed through comparison with baselines and targets.
- Review of documents, such as procedures and plans.
- Exceptions and non-compliance events reported to the management and introduced in the register of exceptions and non-compliance events.
- On-going monitoring of the implementation of control and anti-fraud strategies.

The self-assessment is complemented with the information and data obtained from other sources, namely:

- ICAT-based surveys among Chafea middle management and a sample of staff;
- Face-to-face interviews;
- Mid-term risk review and annual risk assessment;
- Audit findings and recommendations.

As the outcomes of the annual assessment, areas where improvement was achieved are stated; areas where improvement is still needed ("deficiencies") are identified and corrective actions planned.

Based on the 2019 annual review it was concluded that the undertaken activities resulted in eliminating 17 deficiencies⁵⁴. Thanks to the taken measures the severity of remaining 9 deficiencies⁵⁵ could be reduced to the "minor" level. No further weaknesses were identified that should be classified as deficiencies.

All 29 internal control monitoring indicators planned for 2019 were observed, both qualitative and quantitative. In 2019 the maturity of the internal control system allowed to observe 20 more indicators to more profoundly reflect the state of the internal control framework.

Monitoring of remedial measures

The action plans on mitigating the identified risks and implementing the recommendations given by the audits are subject to continuous monitoring and regular reporting within the above mentioned system of managerial supervision. A special consolidated tool for overviewing the status of fulfilling audit recommendations was created and is maintained by the corporate support and resource management unit. The progress in implementing the actions planned to mitigate the registered risks, including fraud related risks, to prevent the repetition of non-compliance and exception cases, to enhance human resource management, IT management, etc. are overviewed by the management at least semi-annually.

The follow-up of the decisions taken by the management is subject to continuous reporting. A tool for monitoring the implementation of the decisions taken by the Steering committee is in place and the corresponding function assigned.

⁵⁴ I.e.: use of Sysper in all its potential/modules, IT systems for producing scoreboards for management monitoring purposes, back-up arrangements during holidays periods, documentation of procedures, training monitoring tool updated, risk management procedures and guidelines developed, adopted and communicated to staff, establishment of the Health and Safety Committee.

⁵⁵ I.e.: standards in documenting procedures and in external communication, internal communication weaknesses, role and awareness of the confidential counsellor, protection of sensitive information and IT security, quality of data.

ANNEX 12: Performance tables

OPERATIONAL EXECUTION OF PUBLIC HEALTH PROGRAMME

Relevant general objective(s) of the parent DG(s):					
A NEW BOOST FOR JOBS, GROWTH AND INVESTMENT					
DG SANTE Specific objective:		Related to spending programme(s) 3 rd Health Programme			
1.1. Effective preparedness, prevention, reaction and eradication of human, animal and plant diseases		Specific objective 2: Protect citizens for serious cross border health threats			
		2.2. Capacity-building against health threats in Member States			
Main outputs in 2019:					
EXPENDITURE-RELATED OUTPUTS			INPUTS: Operational expenditure		Latest known results/Achieved /Non achieved
Description	Milestone (quarter/ semester)	Number of outputs	Budget line	EUR million	
<p>Conclusion of grant agreement:</p> <p>Joint Action to strengthen health preparedness and response to biological and chemical terror attack</p>	<p>Launch of the call for proposals/ invitation letters by Q1</p> <p>Time To Grant (TTG) target: 9 months</p>	<p>Signature of grant agreements with the beneficiaries awarded co financing (1 joint action)</p>	<p>B2019 - 17.030100</p>	<p>EUR 5 M</p>	<p>Achieved</p> <p>Signature Q4 2020</p>
<p>Conclusion of service contracts:</p> <ul style="list-style-type: none"> - Options on the design and implementation of a common EU citizens vaccination card; - Report on the feasibility of options for physical stockpiling of vaccines 	<p>Launch of procurement procedures (open calls) to organise 2 activities by Q1-Q4</p>	<p>Service contracts (2) signed by Q4 – Q1 2020</p>	<p>B2019 - 17.030100</p>	<p>EUR 2.95</p>	<p>1 service contract signed (vaccination card)</p> <p>2nd call (physical stockpiling) re-launched as no offers were received under first publication</p>

DG SANTE Specific objective:

1.3. Cost effective health promotion and disease prevention

Related to spending programme(s) 3rd Health Programme

Specific objective 1: Promoting health, preventing diseases and fostering supportive environments for healthy lifestyles taking into account the health in all policies principle

1.1. Addressing risk factors such as tobacco use and passive smoking, harmful use of alcohol, unhealthy dietary habits and physical inactivity

Main outputs in 2019:

EXPENDITURE-RELATED OUTPUTS			INPUTS: Operational expenditure		Latest known results/Achieved /Non achieved
Description	Milestone (quarter/semester)	Number of outputs	Budget line	EUR million	
<p>Conclusion of grant agreement:</p> <p>Joint Action on Implementation of validated best practices</p>	<p>Launch of grant procedure by Q2</p> <p>Time To Grant (TTG) target: 9 months</p>	<p>Signature of grant agreements with the beneficiaries awarded co financing. 1joint action</p>	<p>B2019 - 17.030100</p>	<p>EUR 6 M</p>	<p>Achieved Proposal under Grant Agreement preparation/signature expected Q1 2020</p>
<p>Conclusion of service contracts:</p> <ul style="list-style-type: none"> - Develop and pilot guidance for national campaigns to reduce drink driving; - Organise workshops/ capacity building activities in the areas of alcohol and workplace, production and consumption of illicit/unrecorded alcohol and application of eHealth tools particularly in coordinated national campaigns to reduce alcohol related harms; - Mapping Member States' fiscal measures and pricing policies applied to food non-alcoholic drinks and alcoholic beverages 	<p>Launch of procurement procedures (open calls) for several activities/tasks by Q3-Q4</p>	<p>Service contracts signed (2) by Q1 2020</p>	<p>B2019 - 17.030100</p>	<p>EUR 1.65</p>	<p>One call for tenders under evaluation (fiscal measures); one call published (alcohol related harm) with closing date 28/02/2020</p>

DG SANTE Specific objective:		Related to spending programme(s) 3 rd Health Programme			
		1.5. Implementation of Union legislation in the field of tobacco products			
Main outputs in 2019:					
EXPENDITURE-RELATED OUTPUTS			INPUTS: Operational expenditure		Latest known results/Achieved /Non achieved
Description	Milestone (quarter/semester)	Number of outputs	Budget line	EUR million	
Conclusion of service contracts in support of the implementation of the of Directive 2014/40 on tobacco products (TPD) <ul style="list-style-type: none"> - Study supporting the Commission on the application of the TPD; - Work carried out under the FWC providing services to support the assessment of flavours in tobacco products; - Tracking and tracing Member State training 	Launch of procurement procedures (open call and RfS under framework contract) by Q1-Q4 (RfS) Q2 (open calls)	Service contracts signed by Q4 (Specific contracts), Q1 2020 (contracts) 6 in total	B2019 - 17.030100	EUR 0.484	Achieved 4 service contracts signed (tobacco flavours); 1 request for service (Study supporting the Commission on the application of the TPD) to be launched January 2020. 1 open call (Tracking and tracing Member State training) specifications pending

DG SANTE Specific objective 1.4.:		Related to spending programme(s) 3 rd Health Programme			
Effective, accessible and resilient healthcare systems in the EU		Specific objective 3. Contribute to innovative, efficient and sustainable health systems			
		3.2. Promote the voluntary uptake of health innovation and e-Health			
Main outputs in 2019:					
EXPENDITURE-RELATED OUTPUTS			INPUTS: Operational expenditure		Latest known results/Achieved/N on achieved
Description	Milestone (quarter/semester)	Number of outputs	Budget line	million EUR	
Conclusion of grant agreement: <ul style="list-style-type: none"> - Joint Action on implementation of digitally enabled integrated person-centred care 	Launch of grant procedure by Q1 Time To Grant (TTG) target: 9 months	Signature of grant agreement (1) by Q1 2020	B2019- 17.030100	EUR 4 M	Achieved Grant Agreement signature expected Q1 2020

<p>Conclusion of service contracts:</p> <ul style="list-style-type: none"> -Actions in support of the implementation of Commission communication 233(2018) on enabling the Digital Transformation of Health and Care in the Digital Single market 	<p>Launch of procurement procedures (open call) by Q1-Q4 (RfS) Q2 (open calls)</p>	<p>Service contracts signed (1)</p>	<p>B2019-17.030100</p>	<p>EUR 0.92</p>	<p>Achieved 1 call published Closing date 27/01/2020</p>
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Related to spending programme(s) 3rd Health Programme

3.6. Implementation of EU legislation on medical devices, medicinal products and cross-border healthcare

Main outputs in 2019:

<p>Conclusion of service contracts:</p> <ul style="list-style-type: none"> - Translations, info campaigns, publications etc. related to medical devices 	<p>Launch of procurement procedures (RfS under FWC) by Q3</p>	<p>Specific contracts (2) signed by Q4</p>	<p>B2019 - 17.030100</p>	<p>EUR 1.29</p>	<p>One request for service (translation & info campaign) to be relaunched; second (UDI helpdesk) sent to FWC holders (with closing date 17/01/2020)</p>
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Related to spending programme(s) 3rd Health Programme

3.7. Health information and knowledge system

Main outputs in 2019:

EXPENDITURE-RELATED OUTPUTS			INPUTS: Operational expenditure		Latest known results/ Achieved/ Non achieved
Description	Milestone (quarter/ semester)	Number of outputs	Budget line	million EUR	
<p>Conclusion of grant agreements (co-funding of actions with international governmental organisations):</p> <p>Grants with the OECD:</p> <ul style="list-style-type: none"> - State of Health in the EU cycle - Support to develop and implement patient-reported measures <p>Grant with the WHO:</p> <ul style="list-style-type: none"> - State of Health in the EU cycle 	<p>Launch of the grant procedures by Q2</p> <p>Time To Grant (TTG) target: 9 months</p>	<p>Conclusion of (direct) grant agreements (3) by Q4</p>	<p>B2019 - 17.030100</p>	<p>EUR 3.25 M</p>	<p>Achieved</p> <p>All 3 direct grants signed</p>
<p>Conclusion of service contracts:</p> <ul style="list-style-type: none"> - Amenable mortality in an International perspective: Feasibility study for Methodological improvement 	<p>Launch of procurement procedures (open call) by Q1</p>	<p>Service contracts signed (1) by Q3</p>	<p>B2019 - 17.030100</p>	<p>EUR 0.18</p>	<p>Achieved</p> <p>Service contract signed</p>

Related to spending programme(s) 3rd Health Programme

Specific objective 4: Facilitate access to better and safer healthcare for union citizens

4.4. Measures to prevent antimicrobial resistance and control healthcare associated infections

Main outputs in 2019:

EXPENDITURE-RELATED OUTPUTS			INPUTS: Operational expenditure		Latest known results/ Achieved/ Non achieved
Description	Milestone (quarter/ semester)	Number of outputs	Budget line	million EUR	
<p>Conclusion of grant agreements (grants for projects) aimed at:</p> <ul style="list-style-type: none"> - Stakeholder actions to implement the EU guidelines on prudent use of antimicrobials in human health 	<p>Launch of the grant procedures (2 calls for proposals) by Q1</p> <p>Time To Grant (TTG) target: 9 months</p>	<p>Conclusion of grant agreements (1)</p>	<p>B2019 - 17.030100</p>	<p>EUR 2 M</p>	<p>Achieved Grant Agreement signature expected Q1 2020</p>
<p>Conclusion of service contracts:</p> <ul style="list-style-type: none"> - EU networking and support for reference laboratory functions for AMR 	<p>Launch of procurement procedures (open call) by Q1</p>	<p>Service contracts signed (2) By Q3</p>	<p>B2019 - 17.030100</p>	<p>EUR 3.8</p>	<p>Not achieved 2 calls to be launched in January 2020</p>

Specific objective 1.5: Increased access to medical expertise and information for specific conditions	Related to spending programme(s) 3rd Health Programme
Specific objective 4: Facilitate access to better and safer healthcare for union citizens	4.1. European reference networks for patients. Patient safety and quality of healthcare

Main outputs in 2019:

EXPENDITURE-RELATED OUTPUTS			INPUTS: Operational expenditure		Latest known results/ Achieved/ Non achieved
Description	Milestone (quarter/ semester)	Number of outputs	Budget line	million EUR	
Conclusion of service contracts: - Development of an integrated assessment, monitoring, evaluation and quality improvement system (AMEQIS) for the ERNs; - ERN-workshops, seminars, studies; - ERN knowledge sharing through short term mobility and exchanges of healthcare professionals	Launch of procurement procedures (RfS under Framework Contract) by Q2	Service contracts signed (1-2) by Q3	B2019 - 17.030100	EUR 2	Specifications pending - to be launched February 2020 launch postponed to Q2 2020 – the pre-requisite call for expression of interest for Healthcare CP to join ERNs delayed
Conclusion of service contracts: - Assessment of healthcare providers wishing to join established ERNs	Launch of procurement procedures (RfS under Framework Contract) by Q2-Q4	Service contracts signed (3) by Q3 – Q1 2020	B2019 - 17.030100	EUR 0.825	Launch postponed to Q2 2020 – the pre-requisite call for expression of interest for Healthcare CP to join ERNs delayed

Related to spending programme(s) 3rd Health programme

Specific objective 4. Facilitate access to better and safer healthcare for union citizens

4.2. Rare Diseases (also linked to 4.1. European reference networks for patients. Patient safety and quality of healthcare

Main outputs in 2019:

EXPENDITURE-RELATED OUTPUTS			INPUTS: Operational expenditure		Latest known results/ Achieved/ Non achieved
Description	Milestone (quarter/ semester)	Number of outputs	Budget line	million EUR	
Conclusion of grant agreements (grants for projects) aimed at: - Rare disease registries of the European Reference Networks	Launch of the grant procedures (1 Call for proposal) by Q1 Time To Grant (TTG) target: 9 months	Conclusion of grant agreements (~15) by Q1 2020	B2019 - 17.030100	EUR 3.8 M	Achieved Grant Agreement signature expected Q1 2020.

Horizontal Actions

Related to spending programme(s) 3rd Health Programme
All objectives

Main outputs in 2019:

EXPENDITURE-RELATED OUTPUTS			INPUTS: Operational expenditure		Latest known results/ Achieved/ Non achieved
Description	Milestone (quarter/ semester)	Number of outputs	Budget line	million EUR	
Conclusion of specific grant agreements (SGAs) based on framework grant agreements (FPAs): - Operating grants to EU- wide NGOs and expert networks active in policy dialogue in the EU	Launch of the grant procedure by Q2 Time To Grant (TTG) target: 9 months	Conclusion of SGAs (1-17) by Q4	B2019 - 17.030100	EUR 5.45 M	14 grant agreements signed

Conclusion of direct grant agreements (GAs): Presidency conference grants (de jure monopoly)	Launch of the grant procedures for 2 Presidency Conferences of up to 100.000 EUR each by Q2 and Q4	Conclusion of (2) GAs By Q4 and Q1 2020	B2019 - 17.030100	EUR 0.2 M	One grant agreement signed (FI). Second presidency conference (HR) under Grant Agreement preparation/ signature expected Q1 2020
Conclusion of grant agreements (co-funding of actions with international governmental organisations) Grant with UNICEF: - Support to children of migrant populations in front line and transit countries	Launch of the grant procedure Direct award without call for proposals by Q2	Conclusion of (1) GA by Q3	B2019 - 17.030100	EUR 2.5 M	Invitation sent on June 2019. Proposal submitted in August. Evaluated in September. Revised proposal under Grant Agreement preparation/ signature expected Q1 2020
Conclusion of service contracts Information/ dissemination activities/projects	Launch of procurement procedures (RfS under Framework Contract) by Q1-Q2	Service contracts signed (5-6) By Q3-Q4	B2019 - 17.030100	EUR 0.2	4 service contract signed (incl. 3 low value contracts); 1 call to be launched in January 2020
Conclusion of service contracts: - Management of Expert Groups	Launch of procurement procedures (RfS under Framework Contract) by Q2-Q4	Service contracts signed (1-2) by Q3-Q4	B2019 - 17.030100	EUR 0.6	1 service contract signed; 1 call to be launched in January 2020
Signature of expert contracts/ external reviews and evaluations	100% expert contracts signed in year N	Expert contracts signed Q1-Q4 2019	B 2019- 17.030100	EUR 0.155	27 expert contracts signed

KEY ACTIONS	Number/%	Deadline/ As of ddmmyy	Responsible Unit /Remarks
Promotion of the project/programme	Participation to approx. 10 national info days	NA	Chafea contributed to 8 information day events (according to demand)
Publication of call for proposals/tenders	<ul style="list-style-type: none"> Projects Operating grants (SGA) Direct grant agreements with International Organisations Direct grant agreements for JA Presidency Conferences 22 procurement procedures 	<u>Grants</u> <i>1st semester:</i> Calls for proposals for projects, operating grants; invitation for direct grants (OECD, WHO, UNICEF); 1 st presidency conference. <i>2nd semester:</i> 2 nd presidency conference <u>Tenders:</u> 2 nd semester; Open calls were launched in 2 nd semester	8 contracts signed. 14 procedures still pending (not committed) due to late adoption of financing decision
Establishment of contact facility/helpdesk	Establishment of contact facility/helpdesk (telephone-e-mail) for calls for proposals and tenders Revision of call texts, invitations for direct grants and guidelines for applicants. Webinar on joint actions, projects and procurement	1 st semester/ 2 nd semester	Contact facility/helpdesk operational Call texts, invitations and guidelines for the calls/ invitations revised Webinar on JA, projects and procurement held
Receipt of proposals/bids	Approx. between 50 and 80 proposals. Approx.: 1-5 offers per procurement procedure expected	5 months after launch (projects) 2 months after launch (operating grants) 6 months after launch (joint actions) Procurement: Open call: 8 weeks after launch RfS: 2-4 weeks after launch	Gants: 47 proposals received under all financing mechanisms. All procedures closed within target dates Procurement: offers received were below range (lower number of offers than estimated) Procedures closed within target dates
Evaluation of the proposals/bids	Between 50 and 80 proposals. Approx: 1-5 offers per procurement procedure expected	3 months following the deadline for submission of proposals Within 6 working weeks from the closure of the calls for tender	Grants: evaluation done within target dates Procurement: evaluation of offers within target dates
Negotiation of the contracts	100 % of awarded grants	Grants: 100 % of grant agreements adapted and committed within less than 9 months following the deadline for submission of proposals and in any case 3 months following notification to successful applicants	

Decision on grants awarded	For grants and procurement award decision is either concomitant with commitment (for grants outside the Horizon-2020 tools and procurement) or with the grant agreement signature (for grants using H-2020 tools)	Grants: 100% of grant agreements signed within 9 months following the deadline for submission of proposals and in any case 3 months following notification to successful applicants	All grants awarded within target – grants still remaining to be awarded under AWP 2019 (e.g. ERN registry grants, joint actions) will also be done within TTG target
Signature of procurement contracts	1 contract per call: 2 nd semester	1 contract per call: 2 nd semester	Procurement: procedures signed in 2019 were finalized within target. The procurement procedures still on-going (open calls) will also be signed within target
Making of commitment/individual commitment	1 commitment per grant / agreement: 2 nd semester	See above	All commitments done within deadline
Execution of pre-financing payment	62 pre-financing payments	Throughout the year	100% made within the deadline provided by the FR (30 days from receipt of admissible request for payment)
Receipt and evaluation of progress report	24 interim report reviewed	Throughout the year	100% of reports evaluated and respective payments executed within 60 days from their receipt
Execution of interim payment	31 interim payments	Throughout the year	100% of payments made within 60 days from the day of submission of a receivable request for payment payments
Conduct of meetings	NFP meetings in Luxembourg; Workshop at IFIC/ EUPHA/EU-Health Forum Gastein	Throughout the year	All meetings were held as planned
Receipt and evaluation of final report	77 final report reviewed	Throughout the year	100% of reports evaluated and respective payments executed within 60 days from their receipt
Execution of final payment	85 final payments	Throughout the year	100% of payments made within 60 days from the day of submission of a receivable request for payment

Dissemination of results of the Health Programme	Public health programme conference to be held September 2019 Health programme video, success stories brochure & two info sheets Participation to 3 public health events organised by the MS, with emphasis in events organised by new MS.	NA	Public health programme Production of video, brochures and info sheets completed Participation in several events organised by Member State done
Continuous use and adaptation to the new IT tools	Online proposals submission, evaluation and grant agreement preparation. Online grant agreement monitoring and management tools. Online management of experts Implementation of e-TED for managing calls for tenders	NA	NA
Monitoring and Reporting	Provision of statistics following the submission of proposals with information regarding MS participation Comparative tables and numerical data with information on the percentage of new applicants/beneficiaries compared to previous years' results Support to reporting on the Health Programme implementation via the defined indicators, including monitoring of the actions' outcomes Project assessment reports provided to SANTE via Chafea project database Ad hoc support for parliamentary and other questions.	NA	Statistics on participation prepared and shared with NFPs (meeting in December) Reporting on implementation of the AWP 2019 and legacy activities under AWP 2018 provided to programme committee and parent DG
Monitoring of budget implementation & coordination with parent DG	Monthly coordination meetings with DG SANTE and budget meetings per quarter	NA	Meetings held regularly
Support to the preparation of the annual work programmes to implement the 3rd Health Programme	Assisting in the selection of the best co-financing mode and legal tools; assistance in estimating the adequate budget for each topic in WP 2019		Input provided by Chafea in writing during the drafting of the 2019 AWP (two iterations)

OPERATIONAL EXECUTION OF BETTER TRAINING FOR SAFER FOOD

Relevant general objective(s): A new boost for jobs, growth and investment in the EU					
Specific objective 2.2. Effective, efficient and reliable controls		Related to spending programme(s) BTSF			
Main outputs in 2019					
EXPENDITURE-RELATED OUTPUTS PLANNED			INPUTS: Operational expenditure		Latest known results/ Achieved/ Non achieved
Description	Indicator	Number of outputs	Budget line	EUR million	
<p>Conclusion of service contracts, including the moving from the phase I to the phase II for contract signed in 2016 and the support to BTSF Academy</p> <p>Contracts to organise training activities in the food safety area: food and feed, animal health and welfare, crisis preparedness in animal health and plant health, plant health, antimicrobial resistance</p>	<p>Launch of procurement procedures (8-10 open calls, 8-10 contract extensions (II phase), and 2-4 requests for specific services</p> <p>By Q3-Q4</p>	<p>Up to 22 contracts signed (15 open calls and 7 requests for services) by Q3 2019-Q1 2020</p>	<p>B2019 - 17.0403 00</p>	<p>EUR 18 M</p>	<p>Achieved</p> <p>18 contracts signed/prolonged (2 open calls, 6 RfS, 10 initiations of 2nd phases)</p>
<p>Support to communication activities on BTSF and its results</p>	<p>On SANTE request provision of statistical data</p> <p>Regular publication of newsletters</p> <p>Preparation of the annual report for 2018</p>	<p>Providing statistical data within a week of request</p> <p>Up to 3 (approx. every wave of calls)</p> <p>Publishing the report by Q2 2019</p>			<p>Achieved</p> <p>2 newsletters published,</p> <p>Annual report 2018 published early August</p>

	On-request development of promo/ communication Materials	Launch of 100% of requests for communication services within one month from the finalization of the tender specifications			Provision of statistical data in time
	Info days	Organise one session for each wave of call			2 info sessions organised in Luxembourg after publication of each call for tender
Support to the assessment of BTSF impacts	Analysing and transmitting to the Commission: - the evaluation of training participants (on-line questionnaire) - the results of knowledge test for each contract - the results of the behaviour/ dissemination questionnaires	Providing the relevant data twice per year (before end of June of year N and before end of January of year N+1)			Achieved Information was provided with reports for each contract

KEY ACTIONS	Number/%	Deadline/ As at ddmmyy	Responsible Unit/Remarks
Promotion of the project/programme	2 info days, 2 newsletters, 1 AAR, 11 website news, BTSF Academy 6370 participants in e-learning	31/12/2019	
Publication of call for proposals/tenders	4 calls for tender planned and published	31/12/2019	2 service contracts signed, 2 published
Establishment of contact facility/helpdesk	BTSF functional mailbox	31/12/2019	
Receipt of proposals/bids	7 offers for 2 calls for tender received	31/12/2019	

Evaluation of the proposals/bids	Evaluations concluded with successful contract award	31/12/2019	
Negotiation of the contracts	N.A.		
Decision on grants awarded	N.A.		
Signature of procurement contracts	2 service contracts and 6 specific contracts under FWC signed, very low value contracts/purchase orders for translations, EN editor and DVD dispatching were concluded	31/12/2019	
Making of commitment /individual commitment	2 service contracts, 6 specific contracts, 10 second phase initiations	31/12/2019	
Execution of pre-financing payment	N.A.		
Receipt and evaluation of progress report	40 reports received and evaluated		
Execution of interim payment	40 interim payments executed	60 days	All payment deadlines met
Conduct of meetings	2 Info days, approx. 15 kick-off and assessment meetings, 5 evaluation consensus meetings	31/12/2019	
Receipt and evaluation of final report	10 reports received and evaluated		
Execution of final payment	10 final payments executed	60 days	All payment deadlines met

**OPERATIONAL EXECUTION OF PROMOTION
OF THE AGRICULTURAL PRODUCTS**

Relevant general objective(s): Sustainable management of natural resources and climate action					Parent DG(s): DG AGRI
Specific objective of the parent DG(s): To meet consumer expectations			Related to spending programme(s) EAGF-EAFRD		
Main outputs in 2019:					
EXPENDITURE-RELATED OUTPUTS			INPUTS: Operational expenditure⁵⁶		Latest known results/Achieved /Non achieved
Description	Milestone (per quarter/semester)	Number of outputs	Budget line	EUR million	
Management of grants for multi programmes	37	37	05.021002	N.A. (financed from previous AWP)	Achieved
Evaluation of grant proposals	250	144	05.021002	0.348 (for external expert evaluators)	Less proposals than expected were received
Grants for multi programmes awarded	25-40 grants 91.6 M EUR	25	05.021002	74,375	Achieved in terms of n° of grants, but allocated budget of 91.6 M EUR not fully spent
Procurement contracts signed	9.5 M EUR	15	05.021002	10,981	Amounts includes provisional commitments (for experts, translation, info day) made directly on the line

KEY ACTIONS	Number/%	Deadline/ As at ddmmyy	Responsible Unit/Remarks
Promotion of the programme – participation in info days in MS and organised by the Agency	8	April 2019	Agri promotion
Publication of call for proposals	2	January 2019	Agri promotion
Establishment of contact facility/helpdesk	1	January-April 2019	Agri promotion

⁵⁶ Referred to L1 commitments

Evaluation of grant proposals	144	April-July 2019	Agri promotion
Decision on grants awarded	25	December 2019	Agri promotion
Execution of pre-financing payment for grants	20	Jan-Dec 2019	Agri promotion
Receipt and evaluation of progress report for grants	16	June 2019	Agri promotion
Execution of interim payments for grants	16	Jan-Dec 2019	Agri promotion
Signature of procurement contracts	16	Jan-Dec 2019	Agri promotion
Processing of interim and final reports for procurement contracts	24	Jan-Dec 2019	Agri promotion
Processing of interim and final payments for procurement contracts	24	Jan-Dec 2019	Agri promotion
Organisation of quality/SPS seminars	4	Jan-Dec 2019	Agri promotion
Publication of market entry handbooks	5	Jan-Dec 2019	Agri promotion
Organisation of EU pavilions at trade fairs in third countries	3	February- March 2019	Agri promotion
High level missions	2	February and May 2019	Agri promotion

OPERATIONAL EXECUTION OF CONSUMER PROGRAMME

Relevant general objective(s) of the parent DG(s):		Parent DG: DG Justice and Consumer (JUST)			
Rights and redress: to develop and reinforce consumer rights in particular through smart regulatory action and improving access to simple, efficient, expedient and low-cost redress including alternative dispute resolution					
Specific objective of the parent DG:		Related to spending programme(s):			
Consolidated and improved consumer rights in the internal market		Consumer programme			
Main outputs in 2019:					
EXPENDITURE-RELATED OUTPUTS			INPUTS: Operational expenditure		Latest known results/Achieved/Non achieved
Description	Indicator	Number of outputs	Budget line	EUR million	
Conclusion of Specific Grant Agreement (SGA): Financial contributions to the functioning of Union-level consumer organisations representing consumer interests (BEUC)	Launch of the call for the conclusion of specific grant agreements (SGAs) with BEUC by Q2 Time To Grant (TTG) target: 9 months	Conclusion of (1) SGA By Q4	B2019-33.040100	EUR 2 M	Achieved
Conclusion of specific contracts on the basis of the framework contract on consumer issues (Consumer Issues)	Launch of the call for specific request of services, by Q3-Q4: - Consumer Survey: attitudes towards cross-border trade and consumer protection - Retailer survey: attitudes towards cross-border trade and consumer protection	Conclusion of specific contracts (2) by Q4	B2019-33.040100	EUR 1.2 M	Nor achieved The procedure has been postponed pending the definition of policy and technical input

Conclusion of service contract(s): Workshops in connection with the new CPC Regulation and logistics support to CPC joint activities and capacity building (CPC Workshop)	Launch of procurement procedures for the award of service contracts based on framework contract (recurring, by Q1-Q4)	2-4 specific contracts signed by Q1-Q4	B2019-33.040100	EUR 0.29 M	Achieved
Financing exchange of officials missions: Support to the exchanges of EU Member States and EFTA/EEA enforcement officials in the area of Consumer Protection Cooperation (CPC) (EXO)	Launch of the action (invitation to submit proposals) by Q1	Conclusion of >30 ExO missions by Q4	B2019-33.040100	EUR 0.1 M	Achieved
Conclusion of Grant Agreement (GA): Co-operation between national authorities responsible for the enforcement of the consumer protection laws (CPC) (CPC Grant)	Launch of the invitation to submit proposals for the conclusion of grant agreements (GAs) by Q2 Time To Grant (TTG) target: 9 months	Conclusion of GAs by Q4	B2019-33.040100	EUR 1 M	Achieved Grant agreements signature by Q1 2020
Conclusion of Grant Agreements (GAs) for capacity building of the alternative dispute resolution bodies for consumer disputes (ADR)	Launch of the call for proposals for the conclusion of grant agreements (GAs) by Q1 Time To Grant (TTG) target: 9 months	Conclusion of GAs by Q4	B2019-33.040100	EUR 1 M	Achieved Grant agreements signature by Q1 2020

Conclusion of service contract: Studies relating to implementation of EU legislation (CPC topic) - Facilitating access to dispute resolution mechanisms for consumers	Launch of procurement procedures or request for service contract as from Q1	Conclusion service contract (1) by Q4	B2019-33.040100	EUR 0.2 M	Not achieved The procedure was not launched as the action was cancelled
Conclusion of service contracts: Requests for services under the Framework Contract for in-depth market studies to investigate problems in consumer markets and propose remedies and evaluation studies (Market studies)	Launch of procurement procedures for the award specific service contracts based on FWC as from Q1	Conclusion of 2-4 specific service contracts by Q4	B2019-33.040100	EUR 0.8 M	Achieved
Studies and evaluations in the field of behavioural economics	New open call for the conclusion of a FWC by Q3-Q4	Conclusion of (1) FWC	B2019-33.040100	n.a.	Call launched, 10 offers received by 12.12.2020 evaluation/signature ongoing
Geo-blocking study	Launch of the open call for tender or request for service for the award of specific service contracts under a FWC		B2019-33.04010	0.2	Not achieved The procedure was not launched as the action was cancelled
Organisation of the Consumer summit 2020	Launch of request for service for the award of specific service contracts under a FWC	1 specific contract on organisation of Consumer summit was signed in November 2019	B2019-33.04010	0.54	Achieved

Relevant general objective(s) of the parent DG(s): Parent DG: DG Justice and Consumer (JUST)
Enforcement: to support enforcement of consumer rights by strengthening cooperation between national enforcement bodies and by supporting consumers with advice

Specific objective of the parent DG: Related to spending programme(s) : Consumer programme
Easier resolution of disputes and recovery of claims, including across borders, for consumers and individuals

Main outputs in 2019:

EXPENDITURE-RELATED OUTPUTS			INPUTS: Operational expenditure		Latest known results/ Achieved/Non achieved
Description	Indicator	Number of outputs	Budget line	EUR million	
<p>Conclusion of Specific Grant Agreements (SGAs):</p> <p>Financial contributions for joint actions with bodies constituting the European Consumer Centre Network - ECC-Net (ECC)</p>	<p>Launch of the invitation to submit proposals for the conclusion of SGAs with the designated bodies by Q2</p>	<p>Conclusion of (30) SGAs By Q4</p>	<p>B2017-33.040100</p>	<p>EUR 6.3 M</p>	<p>Achieved</p>
<p>Conclusion of service contract(s)</p> <p>Studies in relating to implementation of EU legislation: - Coordination of surveillance and enforcement actions</p>	<p>Launch of procurement procedures for the award of contracts, as from Q1</p>	<p>Conclusion of 1-2 direct contracts by Q4</p>	<p>B2019-33.040100</p>	<p>EUR 0.25 M</p>	<p>Achieved</p> <p>1 specific contract signed on "Study on a compliance check of car rental intermediaries"</p>

Relevant general objective(s): Parent DG: DG Justice and Consumer (JUST)
Safety: to consolidate and enhance product safety through effective market surveillance throughout the Union

Specific objective of the parent DG: Related to spending programme(s) : Consumer programme
Consolidated and enhanced product safety through effective market surveillance in the Union

Main outputs in 2019:

EXPENDITURE-RELATED OUTPUTS			INPUTS: Operational expenditure		Latest known results/ Achieved/Non achieved
Description	Indicator	Number of outputs	Budget line	EUR million	
Conclusion of specific contracts: Coordinated activities by national authorities on market surveillance for dangerous products across the EU, which aim at improving the effective application of Directive 2001/95/EC of the European Parliament and of the Council of 3 December 2001 on general product safety (GPSD) (Product Safety)	Launch of the call for the conclusion of specific contracts based on FWC as from Q1	Conclusion of (4-5) specific service contracts throughout the year	B2019-33.040100	EUR 8.6 M ⁵⁷	Achieved

⁵⁷ Updated figures following the implementation of the action. EUR 2.9 million were initially planned according to the AWP 2019. The EUR 8.6 million includes the CASP contracts signed in 2019 (CASP2020 for EUR 2,950,000, CASP Slime, CCA Mandate and VisitUS for a total of EUR 219,855 and CASP2019, signed in 2019 but from 2018 budget, for about EUR 2,550,000).

Relevant general objective(s):

Consumer information and education, and support to consumer organisations: to improve consumers' education, information and awareness of their rights, to develop the evidence base for consumer policy and to provide support to consumer organisations, including taking into account the specific needs of vulnerable consumers.

Parent DG: DG Justice and Consumer (JUST)

Specific objective of the parent DG:

Consumer education as a life-long process

Related to spending programme(s) : Consumer programme

Main outputs in 2019:

EXPENDITURE-RELATED OUTPUTS			INPUTS: Operational expenditure		Latest known results/ Achieved/Non achieved
Description	Indicator	Number of outputs	Budget line	EUR million	
Conclusion of service contract(s): - Awareness raising campaign on EU Ecolabel and other EU labelling instruments supporting the transition towards a low-carbon, green and circular economy	Launch of procurement procedures for the award of a framework contract or of a service contract By Q3	Conclusion of FWC/service contract by Q4	B2019-33.040100	EUR 0.7 M	Not achieved Procedure was not launched as the action was cancelled
Conclusion of service contract(s): Enhancing consumer education and awareness via the educational videos	Launch of request for service for the award of specific service contracts under a FWC	1 specific contract on services for production and promotion of four educational videos on consumer topics	B2018-33.04010 and B2019-33.04010	Approx. 1.58	Achieved
Study and awareness raising activities on debt advice	Launch of an open call for tenders for the award of the direct service contract	1 open call launched	B2019-33.04010	Approx. 0.9	Achieved Call launched, deadline for submission of tenders set on 20/01/2020

KEY ACTIONS	Number /%	Deadline/ As at ddmmyy	Responsible Unit/Remarks
Promotion of the project/programme	ExO-CPC workshop and ADR info day	n/a	High participation rate and active involvement of the Agency
Publication of call for proposals/tenders	30 (Invitations to submit a proposal (ECC Net) 1 invitation to submit proposal (BEUC -Union-Level consumer organisations) 2 Call for proposals (ADR and CPC Grants) 2 Call for tenders 13 Request for Services under FWC	Throughout the year	ECC-NET grants: 28 SGAs signed in 2019, remaining 2 SGAs expected in first quarter of 2020.
Establishment of contact facility/helpdesk	Establishment of contact facility/helpdesk for each procedure and related functional mailboxes. Helpdesk continuously open during the deadline for submission of proposals/tender	Throughout the year	
Receipt of proposals/bids	- 63 proposals (CfP) - 55 applications for special indemnities (ExO) - 32 Offers (CFT-RfS)	Throughout the year	- 63 proposals received (30 ECC, 29 ADR, 2 ECC, 1 BEUC) - 55 ExO applications received - 32 bids received (4 CPC workshops, 8 CASP, 5 Market Studies, 3 Educational videos, 1 ADR Assembly, 1 Consumer Summit, 10 Behavioural Studies FWC)
Evaluation of the proposals/bids	63 proposals evaluated 53 requests for special indemnities 32 offers	Throughout the year	All received proposals and tenders
Negotiation of the contracts	100 % of awarded grants Procurements: None	N.A.	No low or middle value contracts negotiated under 2019 AWP
Decision on grants awarded	63 grants signed	Throughout the year	All awarded proposals signed
Signature of procurement contracts	13 contracts signed	Throughout the year	All awarded contracts signed
Making of commitment /individual commitment	48 commitments in total: - Grants: 4 global, 28 individual and 1 provisional - Procurements: 3 global and 13 individual	Throughout the year	All awarded grants/tenders

Execution of pre-financing payment	27 pre-financing payments	Q4	ECC-NET and BEUC grants
Receipt and evaluation of progress report	6	Throughout the year	implementation of 2019 AWP only, without legacy
Execution of interim payment	3	Throughout the year	implementation of 2019 AWP only, without legacy
Conduct of meetings	18	Throughout the year	
Receipt and evaluation of final report	6	Throughout the year	implementation of 2019 AWP only, without legacy
Execution of final payment	5	Throughout the year	implementation of 2019 AWP only, without legacy