



CENTRAL FINANCE AND CONTRACTS UNIT

*Senior
Programme
Officers*

*under the
2007 IPA-I*

AIDE MEMOIRE

*A “Statement”
to put into action of
recommendations reached by
SPO Spot Check Visits subject
to Self Assessment Analysis*

January- 2010

This survey was conducted by the CFCU as a part of the “SPO Supervision” by the PAO in appropriate to Article 75(3) of the IPA Implementing Regulation No.718/2007 which is accessible from <http://www.cfcu.gov.tr/spo.php?lng=en>



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PREFACE

As it may be recalled of the CFCU responsibilities and actions required on the “SPO Supervision”, in accordance with Article 75(3) of the IPA Implementing Regulation No.718/2007, the PAO took several actions already in relation to the IPA – I, Transition Assistance and Institution Building Component.

As known that the *Self Assessment Analysis Report* was one of the main documents produced by the PAO services as related to the issue. After this general analysis of the system, the principal DIS/IPA actors need to be fully briefed in order to make clearer recommendations/decisions to remedy any weaknesses detected and to further improve the internal control/management and control systems.

Hence, the PAO services provided spot check visits to each of the SPO Offices under the IPA- I. In this component, there have been 33 SPO offices nominated and 26 offices were visited by the CFCU experts since some of the programme have been merged under *one* leading SPO Office in accordance with the Financing Agreement, and some of the programmes belong to the main DIS system actors like EUSG.

In the course of this process, the CFCU noted that the results obtained with this survey have not differed significantly from the circumstances identified by the SPOs in the individual Self Assessments as subsequently collated in the CFCU’s *Self Assessment Analysis Report*. Therefore this survey makes the photograph that we have seen reasonably clearer in order to provide proper recommendations to the DIS/IPA actors.

As a final word, this document presents a “*statement*”, which shall be realized/implemented by the relevant actors. Furthermore, the reflections/impact of these recommended actions will be carried forward entirely to the next national programme[s] as a feedback/evaluation.

Muhsin Altun
PAO-CFCU Director



1. BACKGROUND

1.1. LEGISLATIVE UNDERPINNING

The legal basis for the management and control systems to be effected/implemented by the principal IPA/DIS actors in Turkey – Competent Accrediting Officer [CAO]; National IPA Coordinator [NIPAC]; National Authorising Officer [NAO]; and Programme Authorising Officer [PAO] are derived from obligations imposed by the Treaty establishing the European Community on the Commission Services. Where Decentralised Management [DIS and corresponding Conferral of Management Decisions by the Commission – as is the case for Component I in Turkey] exists, these obligations are cascaded down/delegated by the Commission to the principal actors.

In the case of implementation of the programmes in the Component I, this cascade of controls is delegated, on a selective basis, to the Senior Programme Officers by the PAO under Article 75(3) of the IPA Implementing Regulation No. 718/2007 under the “umbrella” of the IPA Framework Agreement between Turkey and the EU Commission.

The legal basis for this cascade of controls from EC Treaty down to the level of SPO is outlined in Annex II, supported, where appropriate, by selective quotations from the relevant Regulations. Such quotation, being selective, is clearly without prejudice to the need to refer to each Regulation in its entirety in order to provide for a definitive interpretation of all the Regulations and their relevance to management and control of the IPA- I in Turkey

More specifically regarding the responsibilities of the PAO vis-à-vis the SPOs in Component- I of the IPA the main preconditions by the Conferral of Management decision on Turkey included, inter alia, the following.

“Test the *reliability of the SPOs declarations* in the light of the updated testing/control procedure, assess and address any weaknesses detected at SPOs/PIUs level; provide reporting to the [NAO and] Commission.”

1.2. OBJECTIVES OF THESE ACTIONS

The objectives of this current survey of SPO capacity are;

- a) to introduce SPO Offices to the principles of SAS [**Self Assessment Sheets**] and progressively guide them through the use and understanding of the self-assessment,
- b) to facilitate the self-assessment of/by SPO Offices in order to obtain a realistic practical diagnosis of strengths and weaknesses and to jointly [PAO/SPO] develop an action plan to address these issues,

- c) to recommend to the relevant DIS actors an Improvement Plan in order to provide sustainable development of SPOs,
- d) to facilitate bench-learning/benchmarking/comparative analysis of system strengths and weaknesses between all SPO Offices and the system actors by way of regular [6-monthly monitoring PAO/SPOs] to address any systemic concerns as part of the “actual supervision throughout the year” by the NAO under Article 27 of the IPA Implementing Regulation [IPA IR].
- e) In relation to the clusters established as a finding of the statistical analyses, the results obtained shall be checked by the PAO/CFCU services in order to see whether or not these findings are reflecting/confirming the real and correct situations at the SPO level.

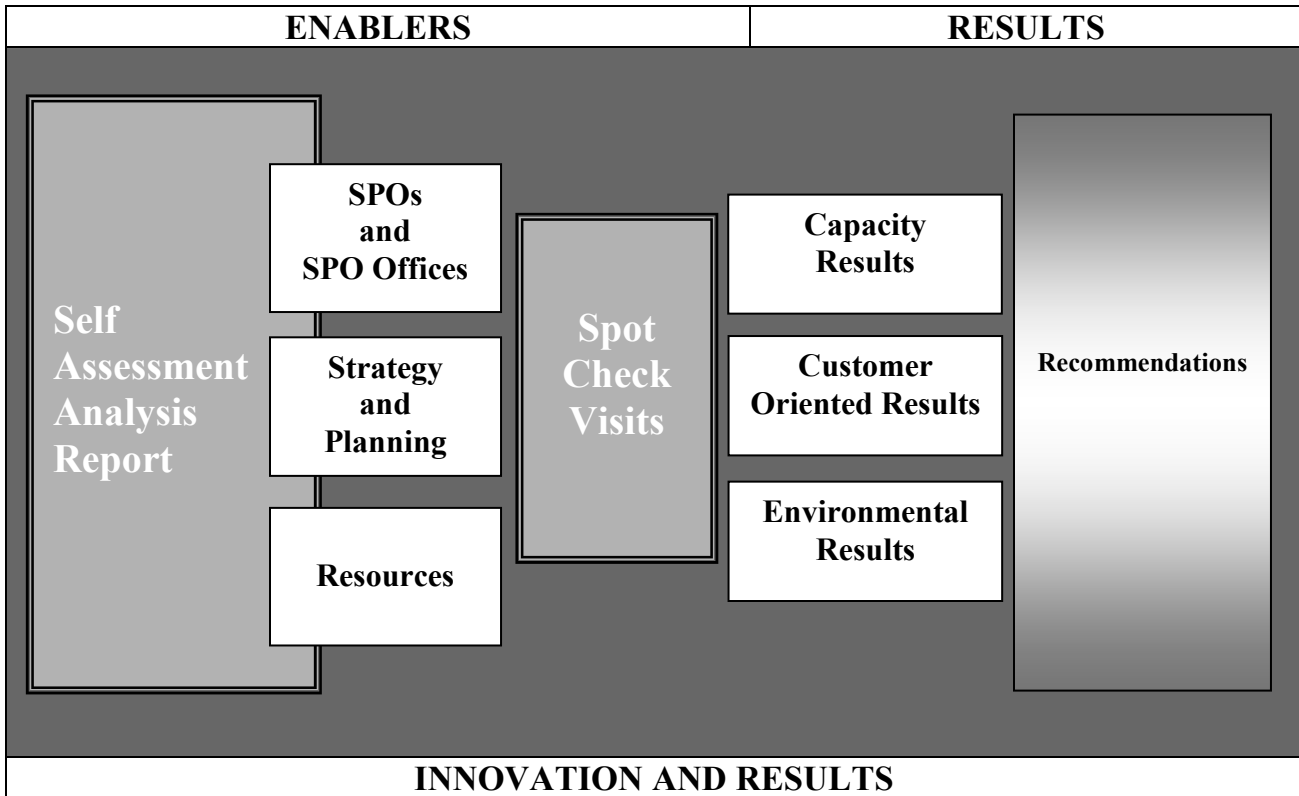
1.3. ACTIVITIES AND DURATION

This survey has been designed and realized on the basis of the *Self Assessment Analysis Report*, which was prepared by the CFCU on behalf of the PAO in June 2009 based on the previously received SASs of the individual SPOs. The SPO clusters established as a finding of the statistical analyses of the above mentioned report shall be checked in order to see whether or not these findings are reflecting the real and correct situations. Under this survey, 33 SPO Offices were defined to be consulted/assessed by the CFCU. These SPOs are those included in the programmes of the Component-I.

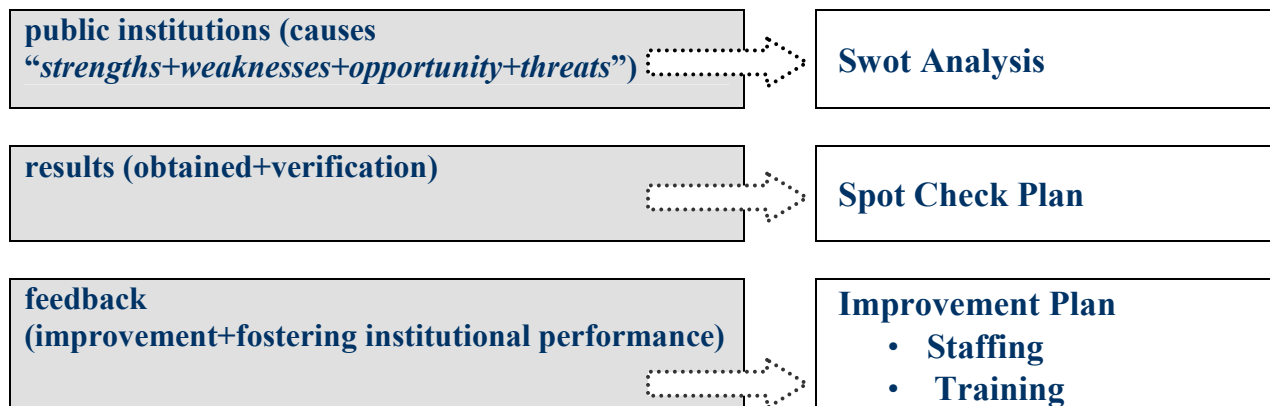
Among these 33 offices, 26 offices have been visited personally by the CFCU experts. There were needed to be made fresh observations due to the programmes themselves consisting of highly comprehensive or complex components to be implemented. In the case measures/operations/projects or groups of projects would have been merged under the coordination of one SPO office as already stated in the Financing Agreement, this leading SPO and his Offices has been visited in order to see and assess which management tools will be used in the course of implementation of the projects/operations.

2. OUTPUTS

The structure of obtaining and verifying the results is illustrated below.



As elaborated comprehensively in the *Self Assessment Analysis Report*, the section shows the “enablers” above was searched in the light of Self Assessment Sheets [SAS] provided by the SPOs and verified accordingly in terms of statistical analysis methods. In this Report, the results obtained were discussed under three separate dimensions appropriate to the expectations from the report. These three main cause-effect relations are:



2.1. RESULTS

After completion of the spot check visits, the possible results obtained can be classified as three types as followings.

- The CFCU observed that the general diagnoses by/of SPOs and SPO Offices according to the *SWOT analysis* stated in the mentioned Report are quite clear and straight forward.
- The diagnoses have been reflected already to the relevant system actors by the PAO, in which quadrants do the system needs to invest more time and resources to manage performance more successfully.
- However, in order to be clarified further in which measures the system actors should try out step by step to improve the performance of the management system in hand, the relevant SPO capacities should be further verified by the PAO/CFCU.

Meanwhile, the results obtained should be considered by the readers to this *Memoire* in a way ***a summary cross check of SAS Analysis.***

The Indicative Results are summarised in three categories as follows.

I. Capacity Results (means what the institutions are achieving in relation to the competence, motivation, satisfaction and performance of their own staff):

It should be considered on what results the institutions have achieved to meet the needs and expectations of their own people. During this survey, CFCU observed that the results are quite variable. Meanwhile the results need to be classified in order to reach certain and measurable recommendations at the end. Hence, these are the results regarding overall satisfaction, results regarding satisfaction with management and management systems, results regarding satisfaction with the working conditions, and results regarding motivation and satisfaction with career and skills development.

1. As mentioned entirely in the SAS Analysis Report that there is very strong and structured organizational background of the Turkish public sector and this is the most valuable asset of the system.
2. The top management and mid-level management ability of institutions to steer the structure like setting goals, allocating resources and communication are very limited.

There is a controversial issue which needs to be taken into account on nomination of the SPOs by the institutions. There are two dimensional consequences existing on this issue that if the SPO was selected from the *top management level*, this causes quick and proper actions on the activities in order to be provided *awareness* to upper-levels, but lower level of involvement to the activities *in practise*. In this situation, many of the SPO delegate



their main responsibilities, which are confirmed within the Operational Agreement, to the other [lower-level] appropriate staff. Then, in practise, within the very short period, the legal SPOs are getting away from their responsibilities almost completely.

On the other hand, in some of the beneficiaries either due to they have to manage more than one programme in the same financial year or the top managerial staff would be very intensive, they nominate some staff as SPO [directly] in the mid-level of management.

At first appearance, this could be perceived as a quick solution to provided proper handle to the programme management by the problem solvers; however, this caused some difficulties on increasing of awareness and providing information to the upper-level on the project activities.

The problem solvers do not take into account the heavy workload of relevant sections and they add new responsibilities as an extra burden to the sections. And the project is belonging completely to the relevant section with passing of time.

These are all very important points on the cost-effectiveness and sustainability of the EU funded programmes inevitably.

3. Institutional approach on innovative research and development are not always very positive and constructive within the certain routines. In some cases to survive of the institutions with the routine and usual activities is becoming more sympathised to the staff in all levels.
4. Ability of management to promote HRM strategy, which is rewarding individuals and team efforts, are not usually taken for granted by the institutions. Generally, the state laws on assessment of the personnel performance are variable according to the content of the institutions and they are not usually consisting of some measures in order to provide for enthusiasm of their staff with high performances.

This certain issue creates that the most of very experienced staff are not willing to take part in any project period. The relevant legal legislations should be renewed or revitalized by the institutions themselves.

5. It should be admitted that the awareness and experiences of the relevant staff of beneficiary institutions are at very limited level and this entirely depend on their previous project experiences.
6. Involvement level of the relevant expert staff to the decision making process concerning to the project implementation is still limited.



7. Involvement and awareness of the high level management team to the project processes are usually at very low level.
8. Level of using information and communication technologies by employees are considerably high.
9. In many institutions, degree of employee rotation inside the institution is quite high; however, the institutions try to keep their relevant staff on their existing positions throughout the project implementation at least.

II. Customer Oriented Results (means what the institution is achieving in relation to the satisfaction of its customers with the institution itself and the products/services it provide)

Public sector institutions can have complex relations both internally with their own framework and also externally with their stakeholders. In some cases, this massive traffic can be characterised as a customer relationship.

In the same spirit, it should be considered on what results the organization has achieved to meet the needs and expectations of customer/clients. While realizing of this survey, the CFCU observed that the results are quite variable and these are the results regarding the overall image of the organization, results regarding involvement and participation, results regarding accessibility and results regarding products and services.

In this respect,

1. Some weakness concerning to coordination and communication are becoming a dilemma among the institutions and furthermore, most intensively, these issues might become more chaotic among their own sub-departments.
2. Most of the SPO and SPO Offices do not connect with the other SPOs and their offices under the same beneficiary organization.
3. Most of the SPOs do not aware of the other SPOs on public sphere and also in which way they are all being appointed as an SPO and what they do with similar problems
4. Resolution of the project issues is taking quite long time subject to hierarchy in the public organizations.
5. There are quite remarkable training needs existing among the public institutions primarily on EU affairs including DIS system as a whole and most importantly on PCM issues in practise, despite extensive training in these areas over the past years.

6. The training facilities to the relevant expert staff of beneficiary institutions particularly the topics concerning to the EU affairs, are considerably limited.
7. High level management team are not usually involving the related training activities and this has been highly decreasing of their awareness/information level against the programmes.
8. High qualified staff turnover effects negatively to the performance of the beneficiary institutions.
9. The involvement of relevant staff to the design and delivery of the services should be extended in the beneficiary institutions.
10. Decision–making process is very intensive and this creates several managerial risks in the project implementation.
11. Values/efforts to improve availability, accuracy and transparency of information/ skills/treatments, which have had from previously implemented projects, need to be kept in order to create *know-how* capacity of the institutions.

III. Environmental Results (*means what the institution is achieving with regards to its strategy and planning related to the needs and demands of the different stakeholders*)

In general, the institutions should try to be achieving in satisfying the needs and expectations of the local, national and international community. Thus, the institutions may include the perception of institutional approach and contribution to increasing the quality on the services they provide, using the resources more efficient and effective, and accordingly protecting the environment and national resources. In all cases the necessity to ensure that all operations/projects meet completely their objectives and that the results are sustainable are of critical importance.

The institutions should determine their short and long term targets and whatever the organization determined should be **RACER** (*relevant, accepted, credible, easy and robust*). Besides, they should represent their capacity of policies and processes to reach goals and objectives including specific targets, which are politically driven.

In the course of the spot check visits, the CFCU noted that in general, the institutions need technical assistance on some of the areas, which were not intended to be determined subject to this survey such as environmental impact, ethical behaviors, institutional openness and transparency, cost effectiveness, gender balance etc.

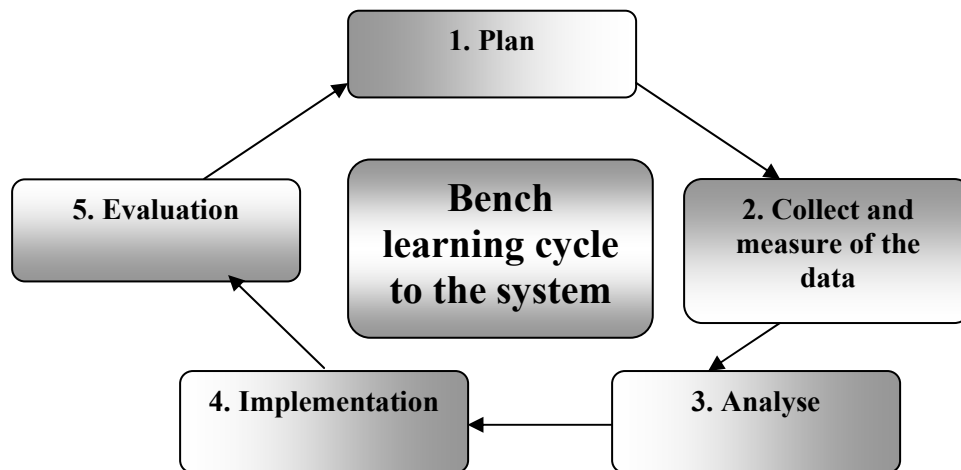
In this direction, the institutions should consider the impacts derived from planned objectives as well as intended side effects which may be positive and/or negative effects on society.

1. The institutions still need to be supported on increasing of awareness of the impact of how the institution performance affects the quality of their beneficiaries' life.
2. The environmental impact on society as related to the institution activities at local, regional and international level should be considered more intensively by themselves.
3. The ethic rules and code of conduct is one of the main points noted which need to be developed more through increasing of awareness raising.
4. On the contrary of the general treatment on working closely, the institutions need to develop and put into practise the effective ways to keep the staff/customer/shareholders informed concerning to the new activities and outputs of any programme/projects.
5. The institutions do not usually follow a policy on providing evidence of success in improving and innovating institutional strategies, structures and process in the light of programme/projects that they have implemented in cooperation with different donors.
6. The measures to effective and efficient use of operating funds are not always one of the milestones in the system, which should be taken for granted by the public institutions.
7. The audit and evaluation is not perceived as a learning way, which provides feedback to the system, in general. Hence, the experiences and skills, which have gained in the course of different projects and the other innovative ways, do not create an institutional memory sufficiently.

2.2. RECOMMENDATIONS

It should be admitted and taken into account that all the produced materials and reports and the topics, which would be opened to discussions, on the *SPO supervision* are the outputs of the *self assessment analysis*. *In this respect, the self assessment analysis might be one of the highly effective management tools to a certain extent in order to make a system analysis by gathering info coming from the beneficiary institutions.*

As a management tool, the above mentioned results need to be managed by the system actors in order to create a *bench learning cycle* to the system established in Turkey throughout the IPA period.



Schematically, bench learning can be showed as 5 stages. On the other hand, in order to reflect the results of survey and planning to the next possible survey for coming IPA programmes and, create a systematic approach to the users, the recommendations have been presented to the readers of this survey as 10 steps by the PAO.

Step I: Decide how to organize and plan the self-assessment

1. Establish a clear SPOs list of the programme/project for each Financing Agreement.
2. Statements of Assurance from Line Ministries will be submitted together with the programming package, which confirms their commitment to implementation and the availability of sufficient resources in the SPO offices.¹
3. These statements of assurance will be tested by the PAO prior to the signature of Financing Agreements²
4. The capacity of the SPOs to effectively oversee implementation will be checked by the PAO prior to signature of the related Financing Agreement.

¹ Financing Agreement for 2008 IPA-I, Page 13.

² Financing Agreement for 2008 IPA-I, Page 13.

5. Define the risky programmes and justify the risks to the system actors.
6. The SPOs will be designated by the PAO and the Operational Agreements signed mutually.
7. Every changing and/or replacement on the SPOs and their offices will be checked on a quarterly basis by the PAO services through e-mail correspondences. Meanwhile, the SPO database at the CFCU will be updated in the light of these communications constantly.

Step II: Define and Implement a Communication Plan

1. The Periodical Round Table Meeting will be organized with the SPOs on a six monthly basis and the meeting agenda will be discussed and clarified by the PAO.
2. The face to face [ad-hoc] meetings are organized in the case of any request from SPOs.
3. The SPO Supervision shall be a permanent agenda item of the TAIB Monitoring Committee meetings.

Step III: Composition of the Self Assessment Group

1. Decide the Self Assessment Group subject to risk assessment results of relevant programme
2. Create the Self Assessment Group for the relevant IPA Programme

Step IV: Organise Training

1. Organise information and training to the administrative level/management team of Line Ministries³
2. Organise information and training to the Self Assessment Groups of Line Ministries
3. Provide a list and relevant documentations to the Head of Project Coordination Units of Line Ministries.

³ For further information in detailed, please see at the “***Improvement Plan***” in the *Self Assessment Analysis Report*.
<http://www.cfcu.gov.tr/SPOs/INFs/SAS-summary.pdf>



4. Define the key stakeholders (i.e. members of the Steering Committee) and key processes (monitoring structure) of the Line Ministries for IPA.
5. Organise training facilities to the key stakeholders of the Line Ministries

Step V: Undertake the self-assessment

1. Organize a session to the **risky** groups defined as “*Self Assessment Group*” concerning to the Self Assessment Sheet
2. Collect the data from the groups
3. Score the results obtained

Step VI: Draft a report describing the results of self-assessment

Step VII: Update of the “Improvement Plan” based on the accepted Self-assessment Report

1. Establish the spot check plan based on the most risky projects/SPOs/SPO Offices
2. Define the improvement actions
3. Differentiate the new actions within the realistic time scale on the improvement plan

Step VIII: Communicate the updated improvement plan with the relevant parties

Step IX: Implement the Improvement Plan

Step X: Plan next self assessment



Annex

I

The following table shows the periods of the activities.

Activities	Relevant Bod(ies)	Progress	Outputs
<i>Step I: Decide how to organize and plan the self-assessment</i>			
1. Establish a clear SPOs list of the programme/projects for each Financing Agreement.	CFCU LINE MINISTRIES	After signature of the relevant Financing Agreement	The SPO list
2. Assure of statements from Line Ministries will be submitted together with the programming package, which confirms their commitment to implementation and the availability of sufficient resources in the SPO offices.	CFCU EUSG	Programming Period	Official Confirmation of the Line Ministries to implementation and the availability of sufficient resources in SPO Offices “Programming Process Document”
3. Statements of assurance will be tested by the PAO prior to the signature of Financing Agreements.	CFCU/PAO	Programming Period	PAO approval on SPO Offices statements to the relevant programming package
4. The capacity of the SPOs to effectively oversee implementation will be checked by the PAO prior to signature of the Financing Agreement.	CFCU/PAO	Programming Period	PAO approval on SPO statements to the relevant programming package

Activities	Relevant Bod(ies)	Progress	Outputs
5. Define the risky programmes and justify the risks to the system actors	NAO CFCU EUSG	Programming Period	The Risky Project List
6. The SPOs will be designated by the PAO and the Operational Agreements are signed mutually.	PAO/SPO	After signature of the relevant Financing Agreement	Operational Agreements
7. Every changing and/or replacement on the SPOs and their offices will be checked quarterly by the PAO services through e-mail correspondences. Meanwhile, the SPO database at the CFCU will be updated in the light of these communications constantly.	CFCU/PAO	Quarterly period	-Informative e-mail correspondences -Standing SPO List
<i>Step II: Define and Implement a Communication Plan</i>			
1. The Periodical Round Table Meeting will be organised with the SPOs on six monthly bases and the meeting agenda will be discussed and clarified by the PAO.	CFCU/PAO	Six monthly basis	Periodical Round Table Meeting Minutes Participation List
2. Face to face meetings are organized in the case of any request from SPOs.	CFCU LINE MINISTRIES	Depends	Minutes of Meetings Participation List
3. The SPO Supervision shall be a permanent agenda item of TAIB Committee meetings.	NAO CFCU EUSG	JMC Meeting Period	CFCU Presentation Minutes of Meeting
<i>Step III: Compose of Self Assessment Group</i>			
1. Decide the Self Assessment Group subject to risk assessment results of relevant programme.	CFCU	Just after the first Round Table Meeting held	The Self Assessment Group Discussions

Activities	Relevant Bod(ies)	Progress	Outputs
2. Create the Self Assessment Group to the relevant IPA Programme.	CFCU	Just after the first Round Table Meeting held	The Self Assessment Group List
<i>Step IV: Organize Training</i>			
1. Organise information sessions and training to the administrative level/ management team of the Line Ministries.	NAO CFCU	After signature of the relevant Financing Agreement	Training Documents
2. Organise information sessions and training to the self assessment groups of Line Ministries.	NAO CFCU	Periodically based on improvement plan	Training Documents
3. Provide a list and relevant documents to the project leaders.	NAO CFCU	Following to each of the event	Delivered and relatively produced documents
4. Define the key stakeholders and key processes of the Line Ministries.	NAO CFCU	After signature of the relevant Financing Agreement	The list of potential key stakeholder list-communication list
5. Organise training facilities to the key stakeholders of the Line Ministries.	NAO CFCU EUSG	After signature of the relevant Financing Agreement	Delivered Training Activities
<i>Step V: Undertake the self-assessment</i>			
1. Organise a session to the risky groups defined as “ <i>Self Assessment Group</i> ” on the Self Assessment Sheet	CFCU	Just after the first Round Table Meeting held	Minutes of meeting
2. Collect the data from the group	CFCU	After submission of the sheets to the relevant SPOs	Filled Self Assessment Sheets



Activities	Relevant Bod(ies)	Progress	Outputs
3. Score the results obtained	CFCU	After submitted of the sheets to the relevant SPOs	Scores of the SPO Offices
<i>Step VI: Draft an report describing the results of self-assessment</i>			
Draft a report describing the results of self-assessment	CFCU	After scoring of the sheets	Drafted analysis
<i>Step VII: Update of the "Improvement Plan" based on the accepted self-assessment report</i>			
Establish the spot check plan based on the most risky projects/SPOs/SPO Offices	CFCU	In the course of self assessment sheet analysis	Spot Check Plan
Define the improvement actions	CFCU	In the course of self assessment sheet analysis	The new action list to improvement
Differentiate the new actions within the realistic time scale on the Improvement Plan	CFCU	In the course of self assessment sheet analysis	Improvement Plan
<i>Step VIII: Communicate the updated improvement plan with the relevant parties</i>			
Communicate the updated improvement plan with the relevant parties	CFCU	After finalising of the analysis	The updated Improvement Plan
<i>Step IX: Implement the Improvement Plan</i>			
Implement the Improvement Plan	NAO CFCU EUSG	After finalising of updating of the plan	The actions stated in the updated plan
<i>Step X: Plan next self assessment</i>			
Plan next self assessment	CFCU		



Annex

II



MANAGEMENT AND CONTROL BY PAO OF SPOs FOR COMPONENT-I OF IPA UNDER ARTICLE 11.3 of IPA IMPLEMENTING REGULATION

REGULATORY BACKGROUND and ASSOCIATED DOCUMENTATION:

A. Responsibilities of the Commission

1. Treaty of the European Communities:

Articles 274 and 279 [old numbering]

2. Financial Regulation of the Communities 1605/2002 and amendment 1995/2006:

Whereas 11; 16; 44 and 45.

Article 27;

Article 33.2 [Achieving objectives under the EU Budget]

Article 52 [Conflicts of interest]

Articles 53.5 [Clearance of Accounts re Article 274 of Treaty] and Article 53.6 [Regular checks and presentation]

Article 54.2 and 54.3

Article 56 in entirety but particularly 56.3 [Commission controls and withdrawal of ex-ante controls]]

Article 59.7 [Responsibility of IPA Commission Authorizing Officer for Component I for Turkey] and Article 60.1 and 60.4 [responsibilities for sound financial management and control]

Article 66.1; 66.3; 66.4 [Accountability of Authorizing Officer in Commission and treatment of irregularities]

Article 164 NB [Conferral of Management of EU Funds to Turkey subject to conditions to be guaranteed by NAO]

Article 165 [Scrutiny/Supervision by Commission of implementation of Article 164]

Article 170 [Powers of Commission and Court of Auditors to audit down to level of subcontractors to be enabled by Turkey].

B. Corresponding Policies and Control Framework of Commission based on the above responsibilities for control of the EC Budgets, including control of external aid [e.g. IPA Programme]

1. Communication to the Commission SEC [2007]1341 dated 16 October, 2007 – Revision of the Internal Control Standards and Underlying Framework – Strengthening Control Effectiveness; and
2. Internal Control Standards in Commission Services – Baseline Requirements at 31 December, 2007.

All of the principles underlying these internal control standards are based on the *COSO Enterprise Risk Management Framework*. These are also reflected in the *Annex I* of the IPA Implementing Regulation 718/2007 which is the basis for accreditation of the IPA Programme in Turkey. So there is a direct link from the Treaty obligations for sound [strong] financial management and control systems through the EC Financial Regulation, and then through the COSO-based controls within the Commission itself down to the IPA Regulation requirements for strong management and control systems in Turkey for CAO, NAO, PAO, and SPOs.

C. The requirements [selected indicative] of the IPA Regulation – 1085/2006 and its Implementing Regulation – 718/2007 for management and control:

1. Selected extracts from Articles of IPA Implementing Regulation:

Article 3: Principles of assistance

- Assistance shall comply with the budgetary principles laid down in Council Regulation [EC; Euratom] No. 1605/2002, as amended;
- Operations shall be properly prepared, with clear and verifiable objectives, which are to be achieved within a given period.

Article 6: Multi-annual or annual programming

- *Programmes* are subdivided into *priority axes*, each of which defines a global objective to attain, and which, depending on the IPA component considered, shall be implemented through *measures*, which may be subdivided into *operations*, or directly through operations;
- Operations shall comprise a *project* or a group of projects.....

Article 7: Framework Agreement



Quote 7.3 highlighting 7.3 [d], [e], [f] and [j]

Article 8: Financing Decisions and Agreements

Highlighting 7.4.[c]

Article 11

Highlight complete Article

Articles 12, 13, 15, 16, 17 highlight selectively regarding accreditation, suspension of accreditation by CAO, NAO, and/or Commission, including suspension of all payments [even where contracts already in place].

Article 18: Decentralization with no ex-ante EUD controls

Highlight 18.4

Article 20 Audit trails

Article 25 Functions and responsibilities of NAO

Highlight 25.4 and 25.5.

Article 27 Statement of Assurance by NAO annually to Commission and CAO by 28 February.

Highlight full Article.

Article 29: Audit Authority

Highlight 29.1 and 29.2

Article 49: Financial Corrections

Highlight full Article

Article 50: Financial adjustments by NAO

Highlight full Article

Article 59: SMCs

Highlight 59.3

Article 75: Structure and Authorities

Highlight 75.2 and 75.3.

D. Accreditation Criteria.

1. Annex I to IPA IR
2. Contents of Accreditation Package – list of DG Enlargement Director-General Michael Leigh 28 February, 2008.

E. COSO Enterprise Risk Management [basis of Commission Internal Controls and basis of Accreditation Criteria for IPA]

1. Executive Summary
2. COSO Monitoring Executive Summary

F. IPA IR Article 11.3 Operational Agreements between PAO and SPOs.

In accordance with 4.10 of Accreditation package and 1[f] and 3[b] of Accreditation Criteria Annex 1.

G. IPA IR Article 11.3 SPO Guidelines

H. Template for Self-Assessment Sheets.

I. Indicative Detailed Internal Control Evaluation [DICE] for monitoring and supervision under Component I by PAO in accordance with 4.12 of Accreditation Package.

J. PAO Analytical Report of SPO Self Assessment and Follow-Up on-the-spot Assessment by PAO services under Articles 11.3. and as input to Article 27 Statement of Assurance by NAO.