



Athena College of Auditors

Workshop on Auditing EU Security and Defence Policies

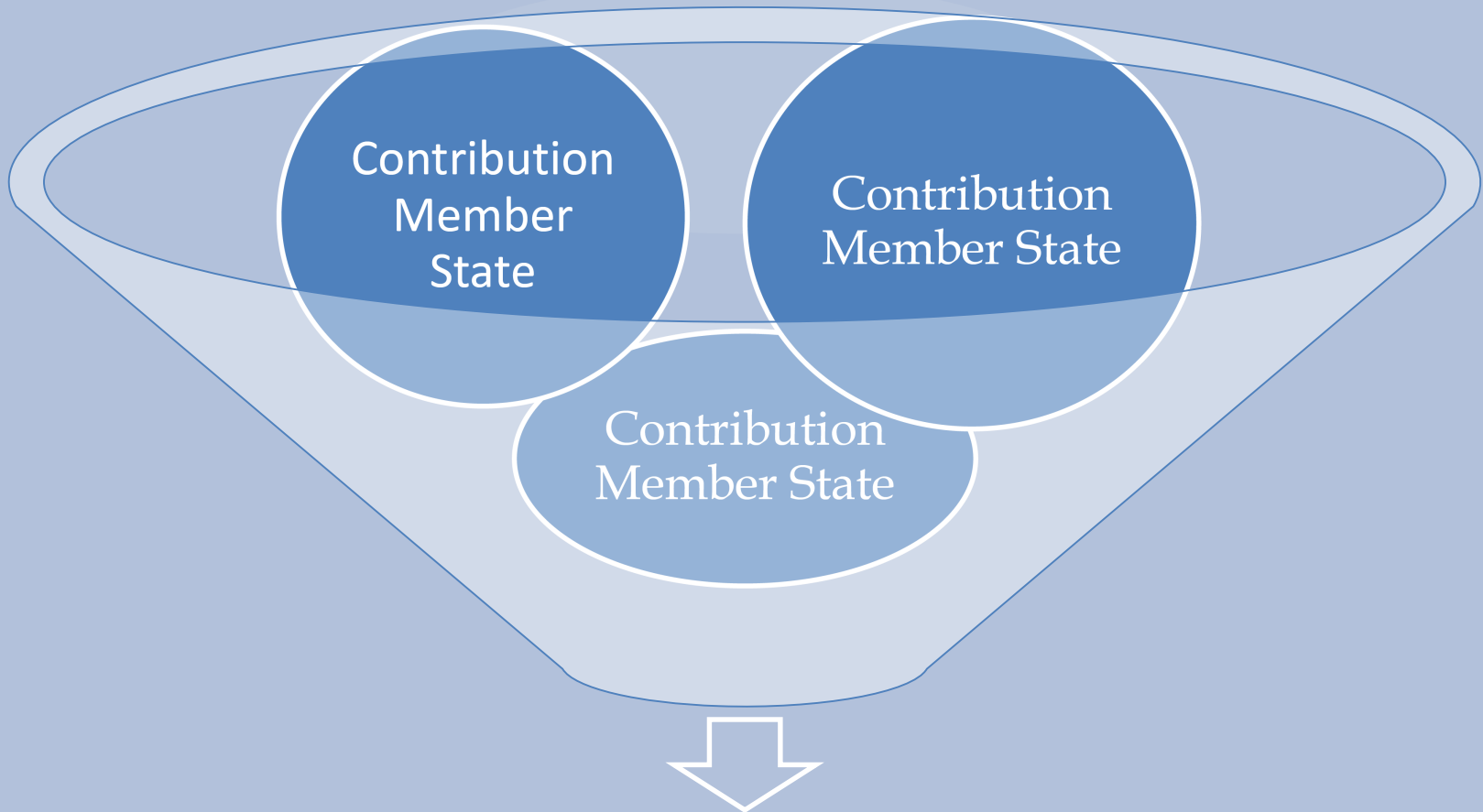
Main problems in Auditing Athena common costs

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Athena Mechanism



Missions and Operations' Common Costs



Missions and Operations

Operation	Place
EUNAFOR MED	Rome
EUFOR Althea FHQ	Sarajevo
EUFOR Althea OHQ	Mons
EUNAVFOR Atalanta	Northwood/Rota
EUTM Somalia	Nairobi
EUMAM/EUTM RCA	Bangui
EUTM Mali	Bamako
ATHENA Central	Brussels



Athena Mechanism

Definition of Common cost:

«For any Union military operation, Athena will bear as operational common costs the incremental costs required for the operation» as defined in the the Annex I-II-III to the Council Decision.

Common costs can be:

- Enlisted in the Decision;
- Decided by the Council;
- Decided by the Special Committee upon request from the OpCom



Athena Mechanism

Common costs enlisted in the Decision:

- Preparatory phase:
 - Costs incurred for exploratory missions and preparations (in particular fact-finding missions and reconnaissance) by military and civilian personnel (such as: transport, accommodation, use of operational communications tools, recruitment of local civilian personnel for the execution of the mission, e.g. interpreters and drivers;
 - Medical services



Athena Mechanism

Common costs enlisted in the Decision:

- Active phase:
 - Incremental costs for OHQ and FHQ (such as transport; travel; administration; civilian personnel; communication; IT equipment; barracks and lodging/infrastructure; public information; public relation; acquisition of information;
 - Medical services



Athena Mechanism

Common costs enlisted in the Decision:

- Winding-up phase:
 - Costs incurred for finding the final destination for the equipment and infrastructure commonly funded for the operation;
 - Incremental costs of drawing up the accounts for the operation.



Athena Mechanism

Common costs upon decision of the Council:

- transport to and from the theatre of operations to deploy, support and recover the forces necessary for the operation;
- Multinational task force headquarters.

Common costs decide by the SC upon request of the OpCom:

- expenditure for acquisition, rental or refurbishing of premises in theatre;
- Other critical theatre-level capabilities.



Athena College of Auditors (CoA)

WHO we are

An independent external audit body reporting to the Special Committee

6 Members from national Supreme Audit Institutions (SAIs)

Currently from:





College of Auditors

College of Auditors Mandate:

- Art. 42: Audit of the financial accounts;
- Art. 40: the auditors shall check during the financial year as well as ex post, through controls on the spot as well as on supporting documents, that expenditure financed or pre-financed through Athena is implemented in accordance with the legislation applicable and the principles of sound financial management, i.e. economy, effectiveness and efficiency, and that internal controls are adequate.



College of Auditors

Main outputs:

- Audit opinion on the consolidated financial accounts;
- Long form audit report.

Additional tasks:

- Closure of an operation;
- Controls performed on Third Parties Contributions.



Main problems in auditing Athena Common costs

General Audit Procedures:

- Confidentiality requirements:
 - Auditors should have received clearance for access to classified information;
 - Respect of the confidentiality of the information and protection of the data;
 - Audit on the spot becomes essential.



Main problems in auditing Athena Common costs

Financial Audit Tasks:

- Assessment of Audit risk:
 - High level of inherent risk and control risk;
 - Need for reassessment every year.
- Assets management;
- Consolidation procedures.



Main problems in auditing Athena Common costs

Assets Management:

- Difficulties in performing physical checks;
- Decisions concerning assets;

Consolidation procedures

- In case of jointly operated missions, possible challenges stemming from different accounting standards and different software.



Main problems in auditing Athena Common costs

Compliance Audit

- Most problematic area: procurement of goods, services and works:
 - Frequent recourse to non-competitive procedures;
 - Derogations based on highly technical evaluation;
 - Legal framework based on the European context, very different from the countries in which operations take place.



Main problems in auditing Athena Common costs

Performance Audit

- Athena financial structure does not allow for a comparison between objectives and costs;
- Lack of competitive procedures to award contracts generates problems in determining price fairness.