|  |  | |  |  | | **SYSTEM / PROCESS TESTING** | | | **TRANSACTION TESTING** |  |
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| **Process** | | **Risk characteristics** | | | | **Control characteristics** | | | **Audit program** | **References** |
| **No.** | **Process / Activity description - objective** | **Risk description** | | | **Inherent risk assessment** | **Mitigating controls description** | **Control frequency** | **Control adequacy** | **Control effectiveness** |  |

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|  | General issues | 1.1. "Possible unclear or not updated guidance and procedures may lead to non-compliance with the relevant legal basis (FR, RAP), specific regulations (e.g. H2020 WP) and in turn lead to litigation or reputational damage.  NB:DG X reported no ongoing court cases, complaints or OLAF investigations related to procurement"  1.2. Irregularities and errors due to absence of specific trainings or insufficient expertise / experience.  1.3. Insufficient procedures (i.e. procedural 'bottlenecks') and coordination between the operational Units and the central procurement Sector may cause delays, inefficiencies and negatively impact the achievement of the DG's objectives  1.4 Commitments on budgetary appropriations delegated to other DGs and still under responsibility of DG X (cross-subdelegation and vertical co-delegation when established in the related agreement) may not receive soundly based assurance. | High  High  Medium  Medium | - Standard checklists used by operational Directorates for the launch and award of tender  - Centralised ex-ante control of tender documents (R.2. Public Procurements)  - Centralised ex-ante control of tender documents (R.2. Public Procurements)  - Training on the job; verifying agents selected among committed initiators"  - DG X internal procedures relating to the Procurement (including step-by-step guidance with responsible actors and checklists) are published on CONNECTED).  - SPC ""calendar"" of procurement procedures  - Sharepoint list of procurement  - List of approved events and studies"  "Service level agreements with delegated DGs  Yearly assurance reports on appropriations used by delegated DGs." | Per transaction  Per transaction  Per transaction  Per transaction |  | "1.1.a. Analyses of guidance documents  1.1.b. Data analyses of ABAC reports to determine possible 'saucissonage' (to be considered at sample selection)  2. Tests of detail and interviews "  2. Tests of detail and interviews  "1.3.a. Analyses of related documents  2. Guidance / assistance available to the POs during planning and tendering in tests of details "  1.5 review the Service level agreements on the highest amounts and the corresponding yearly assurance report from DGs |  |
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| 1.Pre-tendering phase | | | | | | | | |
|  | Needs analysis, overall planning and organisation of the procurement process | :2.1. A lack of alignment between the strategic objectives, work programme and applied procurement procedures, lack of sound process to identify the needs or ineffective translation of needs into terms of reference (tender specifications) may affect the achievement of the procurement objectives.  2.2. Poor procurement planning may cause interruption or unavailability of the service, waste of time and resources.  2.3. Insufficient consideration of the alternatives to procurement (e.g. in-house expertise, joint procurement, use of already existing framework contracts) or other options (administrative arrangements, grants) may lead to an inefficient use of resources.  2.4. Insufficient use of the dedicated central EC databases, in particular for studies, may lead to duplication of procurement. | High  High  High  High | "- financing decisions (work programmes) are approved via Comitology; global envelope is approved by DG Z  - launch of the procedures is approved at Dir level  - approval by MT of list of studies and events;  "- financing decisions (work programmes) provide an overall indicative roadmap of procurements  - local IT tools (PUMA, iFlow) help to monitor the advancement of files"  - for studies and events, approval of the needs and choices at MT level  "- verification by operational Unit and F4 of existance of similar studies in other Units/DGs  - List of existing framework contracts  - form to request a study includes ""Result of bibliographic search""" | Annual  Annual  Per transaction  Per transaction |  | 2. Tests of detail and interviews  2. Tests of detail and interviews  2. Tests of detail and interviews  "2.4.a. Analyses of conducted studies, i.e. verification whether all DG Y studies are:  a) published in the MP  b) published in EC studies database  c) disclosed in the Annex of AAR  2. Tests of detail (e.g. similar / duplicate studies)" |  |
| Tendering phase | | | | | | | | |
|  | Preparation of procurement procedure | 3.1. Targeted specifications may cause unjustified restriction of the competition.  3.2. Poorly defined selection and award criteria or their weightings may lead to inadequate evaluation of tenders or mismatch between the needs and the deliverables.  3.3. Faults in contract execution and deliverables due to deficiencies in tendering documents or absent / inadequately applied contract clauses, unjustified modification of DG Z contract templates. | High  High  High | "- Standard checklists used by operational units  - Centralised ex-ante control of tender documents (R.2. Public Procurements)"  "- Standard checklists used by operational units  - Centralised ex-ante control of tender documents (R.2. Public Procurements)"  "- Standard checklists used by operational units  - Centralised ex-ante control of tender documents (R.2. Public Procurements)" | Per transaction  Per transaction  Per transaction |  | 2. Tests of detail and interviews  2. Tests of detail and interviews  2. Tests of detail and interviews |  |
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|  | Selection and award | **4.1. Unclear, inadequate selection and award criteria or incompetent / biased evaluation panel may lead to non-achievement of the 'best-value-for-money'**  **4.2. Undetected fraud or conflict of interests resulting in biased application of selection and award criteria may lead to unequal treatment of tenderers.**  **4.3. Insufficient justification (documentation) of the award decisions.** | High  Medium  Medium | " "- Standard checklists used by operational units  - Centralised ex-ante control of tender documents (R.2. Public Procurements)"  "- Centralised ex-ante control of tender documents (R.2. Public Procurements)  "  Centralised ex-ante control of the Evaluation report (R.2. Public Procurements) | Per transaction  Per transaction  Per transaction |  | 2. Tests of detail and interviews  2. Tests of detail and interviews  2. Tests of detail and interviews |  |
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